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NEWS SUMMARY

GENERAL
NATO move on missiles

NATO Defence Ministers yesterday cleared the way for a decision to install a new generation of U.S. nuclear missiles in Western Europe. The formal go-ahead is expected to be given at a joint meeting of Foreign and Defence Ministers in Brussels next month.

UK Defence Secretary Francis Pym insisted the Alliance could not afford to delay its own nuclear modernisation programme in the hope of progress on arms control.

Under the programme, 572 Cruise and Pershing II missiles would be deployed in five countries — Britain, West Germany, Italy, Belgium and the Netherlands. Back Page

BUSINESS
Gilts fall 0.98; Equities off 13.5

GILTS fell sharply on economic and financial fears, and closed 0.98 off at 64.88.

EQUITIES were also affected and the FT 30-share index was 13.5 down at 410.0.

STERLING rose 35 points to close at \$2.1145, but its trade-weighted index fell to 87.7 (68.0). The DOLLAR'S index also fell to 87.0 (87.7).

GOLD was firmer, closing \$3 up in London at \$390.50.

WALL STREET was up 6.06 at \$20.14 near the close.

GRIEVESON GRANT and J. and A. Scrimgeour, two of the City's leading stockbrokers, are engaged in talks which could lead to the largest ever UK stockbroking merger. Back Page; Stock Exchange after the abolition of exchange controls. Page 26

TAX privileges of pension funds and insurance companies are not threatened by the Government's review of taxation. Industry Secretary Sir Keith Joseph said. Page 8

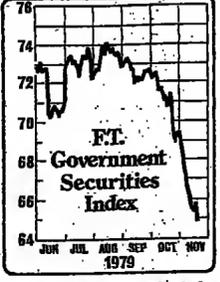
AVERAGE earnings are rising at an underlying annual rate of 15 to 16 per cent, Department of Employment officials believe. This means prices are rising faster than pay for the first time since February 1978. Page 9

MARCONI Spare and Defence Systems has won a Ministry of Defence contract worth more than £200m for the development and initial production of the Sting Ray guided missile. Page 8

PERTAMINA, Indonesia's State oil company, said all crude oil would be sold from now on at \$23.50 (£11.12), bringing it to the same level as the country's Benchmark Minas Oil company.

UNITED ARAB Emirates Government has approved the establishment of a central bank to supersede the Currency Board.

TUC plans to offer the Government a deal on economic management at next month's National Economic Development Council meeting. Back Page



'Racist' proposals

The Government announced tighter restrictions on the issue of work permits for immigrants as part of a general revision designed to reduce abuse and evasion. Some Labour MPs attacked the proposals as "racist, sexist, squalid and sordid." Back Page; Editorial Comment Page 26; Parliament Page 12

EEC budget

European Commission President Roy Jenkins hinted that Britain could not expect the Commission's support if it continued to insist on the Ebn cut in its contribution to the Community budget. Back Page

Core curriculum

The Government took the first step towards establishing a "core curriculum" of subjects — likely to include English, mathematics, science and a language — to be taught in all schools. Back and Page 10; Editorial comment Page 26

Iranian earthquake

At least 242 people were killed when an earthquake struck eastern Iran and wrecked villages in the Province of Khorassan.

Hunger strike

The Mayor of Nablus on the occupied West Bank declared a hunger strike when the Israeli Government rejected an appeal against the decision to deport him. Page 3

Election boost

Former Indian Premier Indira Gandhi's invitation to ex-Finance Minister Hemwatt Bahuguna to join her Congress (I) Party could boost her chances of winning next January's general election. Page 3

Confidence call

The French Government is ready to make its 1980 budget a question of confidence in the National Assembly if a compromise agreement with its Gaullist coalition partners is not reached before the end of the week. Page 2

Rural rail halt

British Rail's rural passenger services could grind to a halt within the next ten years unless positive solutions to the loss-making services are adopted, according to a Central Transport Consultative Committee report. Page 9

Briefly...

Two council workmen were shot in the New Lodge area of Belfast.

British Midlands Airways plans to start an £80 standby fare direct scheduled Birmingham-New York service next May. Page 9

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

Category	Item	Change	
RISES	Davis (Godfrey)	+3	
	FMA	+3	
	Consol. Gold Fields	+3	
	Western Deep	+3	
	FALLS	Treas. 12% 1984	-11
		Treas. 11% 2003-07	-11
		Allied Breweries	-2
		Allied Textile	-2
		Assoc. Dairies	-6
		EAT Inds	-6
Boots		-5	
Beristord (S. & W.)		-11	
Burton A		-10	
Coral Leisure		-7	
De La Rue	-25		
Dunlop	-4		
Fairview Estates	-14		
Ferranti	-14		
GEC	-10		
General Accident	-8		
Glaxo	-8		
Hinton (Amos)	-8		
Elson of Fraser	-8		
ICI	-8		
Ladbroke	-8		
Land Secs.	-10		
Lloyds Bank	-5		
Lucas Inds.	-5		
MEPC	-7		
Metal Box	-6		
Pilkington	-10		
Rowntree McKintosh	-8		
Sotheby, P. B.	-15		
Tube Invs.	-12		
UDs	-4		
United Real Prop.	-25		
Vickers	-8		
Woolworth (F. W.)	-5		

Carter freezes all Iranian bank assets held in U.S.

BY DAVID BUCHAN IN WASHINGTON AND DAVID LASCELLES IN NEW YORK

President Jimmy Carter invoked emergency powers yesterday to freeze all Iran's assets in the U.S. But his attempt to extend the freeze to assets held by foreign subsidiaries of U.S. banks was disputed by some European central banks.

The sharp escalation of the crisis between Iran and the U.S. over the fate of 100 hostages held at the besieged U.S. Embassy in Teheran, followed Iran's move to withdraw all its foreign currency reserves from the U.S.

An Iranian claim that the reserves were worth \$12bn was disputed by U.S. officials who put their value at \$4bn to \$5bn.

Last night Mr. Cyrus Vance, the U.S. Secretary of State, flew to the United Nations in New York in an effort to stop an Iranian request for a Security Council meeting on the crisis.

The President's order was taken under the International Emergency Economic Powers Act, which entitles him to "deal with any unusual and extraordinary threat to national security, foreign policy or economy of the U.S."

It was used to block the assets of Vietnam, Cuba, China and Second World War enemies and requires the Administration only to consult with Congress.

Congressional leaders were contacted in the early hours of yesterday morning along with the principal allies of the U.S., including Saudi Arabia and Japan.

There was nevertheless some apprehension over the action among oil exporters with large holdings in the U.S.

Mr. William Miller, the U.S. Treasury Secretary, was quick to assure governments, such as that of Saudi Arabia, that the financial freeze on Iran in no way jeopardised their holdings in the U.S.

Mr. Carter's order did not apply to the deposited Shab's holdings which are thought to be considerable.

Mr. Miller emphasised that Iran could still buy U.S. food and grain in spite of the assets freeze, provided it does so with funds held outside the U.S. banking system or its foreign affiliates.

He said that the U.S. actions had been provoked by Iran. "The sooner everyone realises all these actions are self-defeating, the sooner we can get back to the primary issue of the hostages."

The main U.S. banks involved were last night examining the legal implications of the President's order. Citibank ordered continued on Bank Page

Iran wields the money weapon Page 4

Lex Back Page

DOLLAR UNDER PRESSURE

THE DOLLAR fell against major currencies yesterday after Iran announced it would withdraw deposits from U.S. banks, and had to be steadied by intervention from the West German and Swiss central banks. It rallied afterwards following President Carter's counter-move.

The dollar closed in London at DM 1.78 against DM 1.7935 overnight, and SwFr 1.6480 against SwFr 1.6575. The yen, which had fallen sharply at the start of the week, recovered to Y243.40 to the dollar against its Tuesday close of Y246.50.

Money markets Page 37

Firestone to close plant with loss of 1,500 jobs

BY DAVID LASCELLES IN NEW YORK AND JAMES McDONALD IN LONDON

FIRESTONE TIRE and Rubber, the troubled second largest U.S. tyre maker, is closing its plant at Brentford, West London, with the loss of 1,500 jobs as the first stage of a \$97m (£32m) European reorganisation and reshaping operation, announced by its Akron, Ohio, headquarters yesterday.

In addition to the UK, the group has plants in France, Italy, Portugal, Spain and Sweden. An Australian operation was closed earlier this year at a cost of \$9m.

The company would not say yesterday which of its other plants or business activities within its loss-making European operations would be affected by the retrenchment, which was forebadowed in the company's third-quarter report published in August, and follows earlier rationalisation attempts over the past few years.

The UK tyre industry has already seen employment fall from 47,000 to a little over 40,000 in less than five years.

Dunlop closed its Merseyside plant at Speke in April with the loss of over 2,000 jobs and other Dunlop factories were affected. Nearly 500 jobs were lost at the company's Birmingham headquarters, Fort Dunlop, and a further 250 jobs were axed from a workforce of 1,100 at Inchinnan, Scotland.

Goodyear, too, is axing jobs, implementing plans to reduce its staff by about 1,100 from a total of 7,000.

Yesterday's announcement by Firestone came on the heels of the appointment of Mr. John Nevin, as new president and chief operating officer. Mr. Nevin was previously chairman and chief executive of Zenith, the largest manufacturer of colour television set in the U.S.

BL asks Joseph for £350m

BY JOHN ELLIOTT AND ARTHUR SMITH

BL BOARD members have appealed to Sir Keith Joseph, Industry Secretary, for extra Government funds of £300m-£350m to help put their controversial corporate plan into operation.

The figure is considerably higher than the £200m target that had been expected. It was put to Sir Keith at a private dinner by board members on Tuesday night.

The possibility of BL's wanting to be released from the ownership of the National Enterprise Board if Rolls-Royce is hived off by the Government during the next few days, is also believed to have been discussed.

Sir Keith is thought to want to keep BL in the NEB even if he transfers the ownership of Rolls-Royce to his own Department.

BL argued at the dinner that, in order to fund the 25,000 redundancies and the reorganisation which it is planning, a massive injection of Government funds was needed. The £300m to £350m asked for is in addition to £225m which has already been earmarked for the company out of NEB funds.

The NEB is believed to have given its outline approval to both the corporate plan and the funds was needed. The £300m to £350m is being studied by the formal plan, which it has just received from the company and will submit soon to Sir Keith.

Earlier this week, Sir Keith implied that the Government had not decided whether to give BL all the funds it needs. He said in the Commons that the work force's reaction to the company's 5 per cent pay and productivity offer could influence this decision.

Yesterday it emerged that union leaders might give their members a strong lead against the offer. They objected to Sir Keith's remarks, which are understood to have also worried BL's top management.

Union leader attacks BL plan for changes, Page 12

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Nkomo hints at Rhodesia deal

By Bridget Bloom and Michael Holman

MR. JOSHUA NKOMO, co-leader of the Patriotic Front guerrilla alliance, declared last night that there had been "heartening movement" towards agreement at the Lancaster House conference on Rhodesia.

Mr. Nkomo, who was speaking before yesterday evening's crucial plenary session of the conference, said that Britain and the Front had "struck understanding" on the two major issues which have deadlocked the 10-week talks.

These are the status of the guerrilla forces and the length of the transition to independence.

"Our forces now have the status they have acquired for themselves as a fighting force," Mr. Nkomo said. They would not only "maintain the ceasefire" on an equal basis with the Salisbury government's forces, but would be regarded as an equal defence force during the interim period.

The guerrilla leader's remarks were taken as a clear indication that an agreement between Britain and the Patriotic Front on arrangements for the transition could be imminent.

Narrowing

This follows two days of intensive bilateral talks at official level. Last night the conference met in plenary session with Lord Carrington, Foreign Secretary and conference chairman, hoping for the Front's formal response to Britain's plan submitted in detail to the conference on November 2.

But although Mr. Nkomo's interview suggests that the gap between the two sides has narrowed considerably, it was thought that the Front is still not entirely happy with certain details.

Britain's plan envisages a two-to-three-month transition under a British Governor, who will have overall responsibility for holding elections and maintaining a ceasefire between the rival Salisbury and guerrilla armies.

Bishop Muzorewa's delegation, now depleted by the return of key members to Salisbury, accepted the plan in its entirety over two weeks ago.

The Front's original objections to the plan have narrowed to a few critical areas. These centre on the status of the armed forces and of political leaders and the length of the transition.

Sharp rise in trade deficit last month

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S already large deficit on the current account of its balance of payments jumped sharply last month. This was largely because of the impact of the engineering strike, which reduced exports and boosted imports.

The October figures clearly exaggerate the underlying trend. Nevertheless, it appears that the UK faces a large continuing deficit in spite of steadily rising North Sea oil production.

The deficit in October was £33m, compared with £118m in the previous month. These figures were heavily distorted by several influences apart from the engineering dispute.

However, these factors largely appear to have cancelled each other out as a favourable movement in the balance on precious stones, notably diamonds, was offset by a deterioration in the balance on oil trade from the small surplus of September.

There has, however, been some improvement compared with earlier in the year when trade was badly affected by the road haulage dispute. Over the four months July to October the current deficit averaged £162m a month, following an average of £309m a month in the first half of the year.

On the same comparison the volume of exports rose by 71 per cent following a 2 per cent fall over the previous six months.

This rise was partly recovery after the road haulage dispute and partly the low level of first-half sales to Iran and Nigeria. But the sharpest growth in sales has been to the EEC.

BALANCE OF PAYMENTS
(£m seasonally adjusted)

Year	1st	2nd	3rd	4th	Current
1979	-1,579	+439	-1,140	-714	-714
July	-46	0	-46	0	-46
Aug.	-147	0	-147	0	-147
Sept.	-118	0	-118	0	-118
Oct.	-339	0	-339	0	-339

Source: Department of Trade

In the July to October period the volume of imports was 44 per cent higher than the average for the first half of the year, following a 9 per cent jump in the previous six months.

Although imports of road vehicles have dropped from the high first-half level there has been a strong growth in purchases of other consumer goods.

The trade figures for earlier in the year have been revised after a detailed examination of previously unrecorded data held up by the Civil Service Industrial dispute. The result is that the current account deficit for the first nine months of the year has been revised downwards from £2.5bn to £2.16bn.

After taking account of the October figures, the deficit for the first 10 months of the year was £2.5bn. Consequently the UK seems to be heading for a deficit approaching £3bn for the full 12 months.

This compares with a deficit of £2.5bn in 1978 projected by the Treasury at the time of the Budget in mid-June.

Tables Page 8

MLR goes up today

BY OUR ECONOMICS CORRESPONDENT

A LARGE INCREASE in Minimum Lending Rate to a record level will be announced just before lunch today and will be followed in the early afternoon by a Commons statement on monetary policy from Sir Geoffrey Howe, the Chancellor.

The Cabinet will be informed of the proposals this morning.

Last night it was still looking as though Sir Geoffrey's statement would be solely about monetary policy and the Government measures to bring the rate of growth of the money supply back down within the official target range. It is highly unlikely there will be any tax or expenditure proposals.

The centrepiece will be a rise in MLR from the present 14 per cent — probably to at least 15 or 16 per cent. This will be coupled with a statement about the monetary target for the next 12 months and about the future of the corset controls on the growth of the banks' operations.

Continued on Back Page

ELTON reaffirms plan to check expansion of money supply Page 10

£ in New York

	Nov. 15	Previous
Spot	\$2.1070-1600	\$2.0930-0950
1 month	0.34-0.21 dis	0.05-0.10pre
3 months	0.25-0.20 dis	0.15-0.30pre
12 months	2.48-2.58 dis	1.35-1.25 dis

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Germany probes fossil fuel effects

BY ROGER BOYES IN BONN

WEST GERMANY is to set up a study which could have a serious impact on its future energy policies, which at present stress the central importance of coal. The investigation is into the effects of carbon dioxide on the atmosphere.

The Government stressed yesterday that Bonn was taking very seriously a number of scientific reports about the climatic effects of excessive carbon dioxide production.

One study has calculated that off coal, gas and oil continue to be burnt at the present rate, the carbon dioxide content in the atmosphere could double by

the next century, creating radical and dangerous temperature shifts in different parts of the world.

The new group will be composed of Herr Gerhard Baum, Interior Minister; Herr Volker Hauff, Research and Technology Minister; Herr Josef Ertl, Agriculture Minister; and Herr Kurt Gscheidle, Transport Minister.

Their findings will be relayed to the Government, and will play a part in shaping the country's attitude towards the use of fossil fuels.

The Government decision comes less than a month before

the ruling Social Democratic Party (SPD) will discuss the controversial issue of nuclear power at its party conference.

Some of the anti-nuclear activists within the party have claimed that coal (the country's main domestically-produced energy source), combined with alternative energy sources, would make nuclear power unnecessary even as an interim measure.

Bonn is apparently anxious to demonstrate that coal, too, is not without its dangers. The move is clearly more than a tactical manoeuvre and reflects

real concern that the planned shift to coal-fired power stations within the next decade could spark off long-term problems.

The budgetary committee of the Bundestag (Lower House) is this week considering how the extra DM 400m (£105.5m) allocated to coal in the 1980 Budget should be spent.

The committee has also to decide to what extent the Government subsidy on coking coal should be increased in the coming year. Coking coal is one of the basic fuels of the steel industry, which has seen an upturn over the past year.

Swedish inflation speeds up

By William Dullforce in Stockholm

SWEDEN'S INFLATION rate is speeding up faster than foreseen, raising worries about wage and industry costs developments next year. The State Price and Cartel Board forecast yesterday that consumer prices would rise by 9.5 per cent this year.

This is 3.5 per cent more than the Board predicted last spring, and more than the forecasts made by Ministers during this summer's general election campaign.

Rises in oil prices, two increases in the discount rate and higher duties on alcohol and tobacco are among the factors accelerating the inflation rate.

The Statistical Central Bureau, which operates the official consumer price index, reported yesterday that it had risen by 7.4 per cent by the third week of October since the beginning of this year.

This did not include the increase in alcohol and tobacco duties, which came into effect on October 26, and are calculated to have added 0.7 per cent to the rise in the index.

The unions have already claimed the wage compensation to which they were entitled under the present national incomes settlement if the index rose by more than 5 per cent in the first 10 months of the year.

The LO union federation has asked for an increase of SKr 1 (about 11p) an hour—or 3 per cent. The employers have made a "final" offer of SKr 0.15 an hour—or 0.5 per cent. The dispute has been referred to official mediators.

This wage claim is only the prelude to negotiations for the next national wages settlement due to come into force next year.

Sweden will hold a national referendum on nuclear power on March 23 next year, the Riksdag (Parliament) decided yesterday.

French Cabinet takes tough line on Budget

BY DAVID WHITE IN PARIS

THE FRENCH Government is ready to make its 1980 budget a question of confidence in the National Assembly if a compromise agreement with its Gaullist coalition partners is not reached before the end of the week.

M. Pierre Hunt, the Presidential spokesman, said the Cabinet at its meeting yesterday committed itself to take "the course if necessary."

Under Article 49 of the French Constitution, the Government can "engage its responsibility" on a Bill before the Assembly. This means the Bill can only be defeated if a censure motion against the Government is carried. If not, the Bill is considered passed.

The Gaullist RPR party, which caused the whole of the revenue side of the 1980 Budget to be rejected by the Assembly three weeks ago, has made clear it will continue to fight the budget but will not vote the Government down in a censure motion.

A tough statement of the RPR's position, made after a meeting of its political council at the beginning of the week, has turned into a political issue what was to have been a purely technical consultation between the Government and its two main props in Parliament, the RPR and the Giscardian UDF.

A three-sided meeting was to have taken place yesterday, but

the Gaullists have put off their talks with the Government until today. They have nominated a strong delegation, which includes two former Prime Ministers, M. Maurice Couve de Murville and M. Michel Debre.

Saturday has been set as the deadline for the First Reading of the budget in the Assembly. If the Government resorts to Article 49 and the RPR abstains from a censure motion, the Bill will be carried.

The issue being taken up by the RPR—the Administration's running costs—is seen as a pretext for a trial of strength with the Government. The RPR wants these cut by FFrs 2bn (£224m).

In the context of the Spring 1981, Presidential elections, commentators saw the dispute as an opportunity for the Gaullists to portray themselves as defenders of the taxpayer against Government extravagance and of Parliament against the power of the executive.

President Giscard became the main target of criticisms expressed at the RPR political committee meeting. M. Bernard Pons, the party's secretary-general, reporting on the meeting, said "certain members" doubted whether replacing M. Raymond Barre as Prime Minister would be sufficient to set Government policy on the right course.

Paris cool to British demands on budget

By Jonathan Carr in Bonn

THE FRENCH and West German Foreign Ministers hold talks here today amid clear signs of a very tough stance by Paris on Britain's demands for a big cut in its net contribution to the EEC budget.

The budget issue is likely to be the main item discussed by M. Jean Francois-Poncet and his German colleague, Herr Hans Dietrich Genscher, with the EEC Council (summit) meeting in Dublin now only two weeks away.

Britain's budgetary problem seems certain to dominate the Council and there are strong German fears that unless progress towards a solution can be made beforehand, the meeting will fail and a Community crisis could result.

Indications that France is not at present ready to go far to meet Britain's demand for a "broad balance" in EEC budgetary payments and receipts next year have emerged from a paper emanating from the French embassy and circulating among the German Press in Bonn.

The paper appears to be part of a strong effort by several Community countries to enlist public support on the budget issue in other member states.

The French paper stresses that even application of the term "national contribution" to the EEC is unsuitable, since the Community is financed from its "own resources" (including import levies and proportion of VAT) and goes to finance common policies.

It underlines that Britain knew the Community rules when it joined—and no state could accept only those parts of the EEC treaties it found agreeable and refuse those it disliked.

It adds that part of Britain's budget problem emerged because the UK continued to import so many manufactured goods and farm products from beyond the EEC. The problem would be reduced as Britain integrated its trade more with the Community.

In an apparent concession to at least part of Britain's case, the French paper notes that a member state might become a victim of exceptional circumstances. But it stresses that any solution must be clearly defined in size and duration, not be an open-ended commitment which can be continued year after year.

The German Government has sympathy for several elements of the French case—including the insistence on a temporary solution and the stress on the need for greater British integration in the Community market. But it is also anxious to avoid a situation in Dublin in which Britain would be isolated, that no solution would result and that progress on other EEC policies would hence become harder, if not impossible.

Irish hold interest rates firm

By Stewart Dalby, Dublin Correspondent

IRISH interest rates are unlikely to rise following the decision of a leading British bank to raise its base lending rate. The effective prime rate in Ireland is 15 1/2 per cent.

The best gauge of Ireland's prime rate is its lending rate to what the clearing banks call "triple A" borrowers. This is currently 15 1/2 per cent.

In the past Ireland has usually followed British rates closely because there was a parity link between sterling and the Irish pound. However, Ireland's membership of the European Monetary system, which came into effect last April, has meant that the country has been able to follow an independent monetary policy.

Because of a tight credit policy and balance of payments worries, the central bank has decreed that credit must not increase by more than 18 per cent in the year ending next February. Interest rates are unlikely to drop much, if at all, in the next six months.

Bonn pledge on N-safeguards

BY VICTOR MACKIE IN OTTAWA

THE BONN Government has given a firm commitment to Canada that it and the U.S. will be told if the West Germans in any way lowered nuclear safeguards in connection with their sale of a nuclear reactor to Argentina.

Miss Flora Macdonald, Canadian Minister of External Affairs, told the Financial Times that she received that

assurance from Herr Hans-Dietrich Genscher, the West German Foreign Minister, when they met at the United Nations.

So far, she said, there was no evidence that the West Germans had made any concessions to Argentina on the subject of safeguards against the proliferation of nuclear weapons as they apply to reactor sales. She denied that relations with Bonn

had been strained because the Canadians had been bested by West Germany in the race for the order.

The whole matter will be discussed in Bonn next Monday at a meeting of West German and Canadian officials.

The order for the reactor, Atucha II, has gone to KWU, a Siemens affiliate, which also built Argentina's first reactor, Atucha I. The overall value of the reactor and power station, including local content, is placed at \$1.5bn.

A Canadian-designed Candu is the second power reactor working in Argentina. It was supplied by Atomic Energy of Canada (AECL), which lost the race for the third nuclear station to the West Germans.

AECL spokesmen have blamed present and past Canadian Governments. They suggested that the Argentinians had not been given the assurances they had sought that safeguards would not subsequently be tightened as, allegedly, happened in 1975 and again in 1976.

Strike hits Paris airports

PARIS—Air traffic controllers in Northern France stopped work again yesterday, almost paralysing Paris's two main airports.

Airport officials at Orly and Roissy-Charles de Gaulle said 248 departing flights and 185 arriving flights had been cancelled during the 11-hour unofficial stoppage.

The French air traffic controllers began staging periodic stoppages on October 25 to press demands for better equipment, increased staff, more pay and improved pensions. They also

Strike hits Paris airports

asked for the official right to strike, refused them since 1964.

The controllers demand negotiations with the Transport Ministry, which has said it will not improve on its latest offer.

Meanwhile flights to and from Italy faced lengthening delays at the start of an indefinite go-slow by Italian air-traffic controllers yesterday. Last night, the delays were running at an average of 35 minutes. The go-slow is the controllers' response to legal action against leaders of a one-day strike last month. Reuter

Sweden will hold a national referendum on nuclear power on March 23 next year, the Riksdag (Parliament) decided yesterday.

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With the crude figures rising close to 1.5m, and several forecasts pointing to a worsening of the situation, the authorities are treating the figures cautiously.

M. Jean Matteoli, the new Minister of Labour, yesterday sought to defuse the tension over the seven-week strike at Alsthom-Atlantique, the French engineering company, by appointing a conciliator who will report within a week.

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Last month's improvement was evident only in the seasonally adjusted figures, which showed unemployment down by 1.1 per cent compared with

Unemployment rate falls

BY TERRY DODSWORTH IN PARIS

FOR THE second month in succession the French unemployment rate has fallen slightly, giving rise to hopes that the rapid acceleration of the spring and summer has halted.

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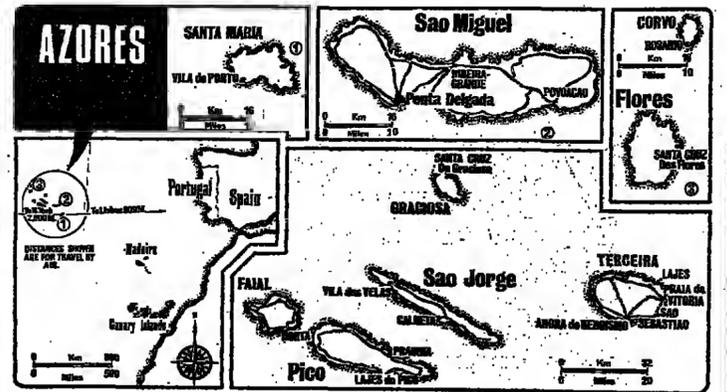
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Azores seeks to loosen ties

BY JIMMY BURNS IN LISBON

THE REMOTE but strategically important mid-Atlantic islands of the Azores, used as a vital stop-over point by U.S. aircraft carrying military supplies to Israel in the 1973 Middle East war, are pressing for a greater degree of autonomy from Portugal.

A battle is shaping up among local political parties over how the Azores' theoretical regional autonomy, enshrined in the 1976 constitution, should be implemented. It is a tussle that Western strategists are watching closely.

In spite of the dramatic political changes in Lisbon since 1976, Portugal would still allow the Lajes air base on the island of Terceira to be used in the event of another war involving U.S. equipment. Only last June, a new agreement was reached on the matter between the two NATO partners.

But the base is only one of the issues being discussed in the Azores ahead of elections due both in the islands and on the mainland in December.

The autonomy question is looming large in a three-cornered struggle for power. The centre-right Social Democrat Party (PSD), which makes up the current regional government, is still not satisfied with the considerable administrative autonomy gained over the past three years.

Its leader, a 46-year-old pro-Western lawyer named Dr. Joso Mota Amaral, feels his powers are limited and thinks autonomy in the financial and economic fields should go much further, although he regards full independence as unrealistic. At the moment, economic regulations insist that economic policy initiatives should be in the context of the central government's plan.

Dr. Amaral's views are moderated compared to those of the pro-independence Front for the Liberation of the Azores (FLA). Over the past three years the FLA, which is banned on the mainland, has been linked to a series of bombings on the islands and to attacks on Government officials and buildings.

St. Jose de Almeida, the FLA leader, demands full sovereignty for the Azores with a place as an independent member of the United Nations. He says the FLA has 5,000 members, and sympathisers spread among the million Azoreans living in the U.S. and Canada.

The Socialist party, the third grouping, is sceptical of Dr. Amaral's call for greater autonomy and distrusts the FLA militants. They feel there is an unhealthy alliance between local cooperatives and FLA hotheads.

Dr. Maria Soares, the Socialist

leader, said recently that large sectors of the Azorean population were disillusioned with three years of PSD government, which had failed to tackle the most pressing local issues of housing and social security.

For most of the people of the Azores, the islands seem to be a place which time has passed by. In Ribeira Grande, the oldest town, fishermen seem downtrodden and despondent in nearby fields, barefoot boys lug rusty milk churns on to horse-drawn carts.

But they are a hardy people, descended from fishermen and peasants in southern Portugal and displaying a distinct, tough identity which contrasts strongly with the inhabitants of the mainland.

Perhaps the major symbol of modernity is the huge drilling rig close to Ribeira Grande. A hut is going on for hot underground springs which might be tapped for geothermal power. To local engineers, the search is a means by which the lingering dependency on Portugal might be further loosened. But the Azores' strategic importance to the U.S. and NATO seems equally likely to render this hope forlorn.

FINANCIAL TIMES published daily except Sundays and public holidays. U.S. subscription rates: \$395.00 per annum. Single copies 10c. Postage paid at New York, N.Y. and at additional mailing centres.

Rupert Cornwell examines the rift among Italy's Communists

Party argues over strategy amid internal tumult

THE SIMMERING arguments and profound self-doubt which have gripped the Italian Communist Party (PCI) since it suffered electoral defeat in June have now gone public.

The *skilful fashion* in which Sig. Enrico Berlinguer, the Party's leader, glossed over its troubles at the time always seemed too good to be true. The public debate now going on with this week's key meeting of the Central Committee is unprecedented for a party whose "democratic centralism" has kept a most unattractive lid on its internal power struggles.

Disputes among the Italian Communists always have held the fascination of the forbidden. But the tumult created by an article by Sig. Giorgio Amendola, a veteran leader of the so-called "Right" of the PCI, extends beyond political voyeurism.

The article, written in the party's theoretical weekly *Rinascita*, criticises the Italian unions and by extension the Communists. In doing so it encapsulates the dilemmas now facing the West's largest Communist Party.

The timing of the broadside could hardly have been more awkward for Sig. Berlinguer. Every sign is that both electoral support and paid-up membership of the Party have continued to decline since June, and its important intellectual wing is in turmoil.

Sig. Amendola may no longer be in the PCI's innermost councils, but his article has not only sharpened the latent dispute between the "Right," wedded to the "historic compromise" between Communists and Catholics, and the "Left," pressing for a more distinctive and aggressive stance by the PCI. It also amounts to a slaughter of some of the most sacred cows of the Italian Left.

Sig. Amendola's starting point is the failure of a protest strike over Fiat organised by the unions. This was directed against the car company's sacking of 61 workers alleged to have been violent trouble-makers at its Turin plant. But the article then develops into a frontal attack against the strategy of the Communists and their labour movement allies,

the unions, over the past decade.

Sig. Amendola argues that the failure of the strike was proof of the failure of the unions — the fruit of an ambivalent attitude to terrorism in the factories, of their failure to democratise their own inner workings with a consequent loss of touch with shop-floor feeling, and of their inability to defend the unemployed as well as the employed, especially in the south.

But Sig. Amendola goes further, contesting the automatic right to strike especially in cases where the aim is to harass the general public. The Left are told that their cherished notion that revolution will somehow turn work from a grind into a pleasure is nonsense: "Repetitive factory work will always produce alienation."

On three other points, Sig. Amendola speaks the unspeakable. He says all economic sense dictates changes in that shibboleth of the unions, the "scala mobile" system of automatic wage indexation. He points out that, contrary to much Left-wing mythology, real wages in Italy have risen for most workers without interruption, despite a succession of economic crises, and he states that large parts of the country enjoy virtually full employment.

With enemies like that, one might ask, do Fiat's Agnelli need friends? That indeed is the reaction of Sig. Berlinguer, forced by the hubbub to reply at the weekend to accusations.

Party calls for arms curb talks

BY OUR ROME STAFF

THE ITALIAN Communist party yesterday called for immediate negotiations between NATO and the Warsaw Pact on reducing armaments in Europe, instead of planning to instal new nuclear missiles in Western Europe.

Sig. Giancarlo Pajetta, the party's foreign affairs spokesman told a central committee meeting here: "If an imbalance exists, this should be put



Sig. Giorgio Amendola (left), whose broadside has created problems for Sig. Enrico Berlinguer (right).

The "Amendola doctrine" is one that many Manifesto Group Labour MPs would find far too Right-wing.

Sig. Berlinguer admits that some of the criticism is justified, but makes the point that Sig. Amendola has almost totally ignored the employers, the real enemies of the working class. Without explicitly working for the "transformation" of society, he argued, the sacrifices sought by Sig. Amendola cannot be demanded.

The alternative would clearly be gradual reform which does not challenge the basic grip of capitalism on Italy's economic structure. This "social democratic" option has been repeatedly rejected by the Communists, and under such circumstances the historic compromise of allowing the PCI into government might be little more than a historic sell-out.

Sig. Amendola has, of course, broken the rules of democratic centralism. Self-criticism and argument are supposed to progress up the structure of the party from the rank-and-file. But once the leadership has banded down its verdict, public dissent is supposed to cease. This

mechanism more or less worked after June's electoral defeat when the historic compromise was pronounced correct and symbolic changes were made in the top party directorate.

But the PCI's internal equilibrium is very fragile. Sig. Pietro Ingrao, the focal point of the left, has recently stated that Sig. Berlinguer only squeaked through on certain key votes in the Central Committee post-mortem in June.

Certainly, the present argument will not easily be settled, despite the disavowals of Amendola by almost every leading Communist who has so far given his opinion. More importantly, the Communists and the unions, widely held to be the great success stories of recent times, have now joined the ranks of Italy's other parties, divided and utterly uncertain of what to do next.

These developments may fail to speed an early break in Italy's chronic political logjam. But attention is now focused on the points that matter: what it means to be a Communist in Italy, and how to be on the Left in a modern industrialised democracy.

right by halting production, and if necessary by removing arms already deployed."

He added: "If the Italian or any other European Government proposes to the Soviet Union that it should stop the manufacture of SS-20 missiles, the Italian Communist party will support them."

Sig. Pajetta's statement emphasised the gap which exists

between the Communists and other Italian parties, who almost without exception agree that the Cruise and Pershing-2 missile programme should be approved before negotiations are initiated with the Warsaw Pact.

He claimed, however, that the Communist position was shared by others, both in Italy and elsewhere in Western Europe.

IMF team to work out aid for Manila

By Daniel Nelson in Manila

INTERNATIONAL Monetary Fund aid to help the Philippines with its \$500m balance of payments deficit will be thrashed out at a meeting between IMF and Government officials which opens in Manila on Monday.

The Government is seeking a two-year stand-by facility and a drawing from the supplementary fund facility.

A World Bank Mission will also be assembling in Manila in the next few days to begin negotiations for a programme loan of over \$200m for financial institutions and for restructuring industry away from import substitution and into exports.

World Bank and IMF officials will sit in on each other's negotiations — one of the first results of pressure exerted at the recent meeting of the fund in Belgrade for closer co-operation between the two agencies.

Disagreement

A major area of disagreement in the IMF talks will be the level of the fund's borrowing ceiling. Mr. Cesar Virata, the Philippines Finance Minister, has said that the 1979 level of \$975m, up \$25m from the previous year, effectively curtails import capacity. He wants a 15 per cent increase.

But he has so far been unsuccessful in attempts to persuade the fund that investment, and thus borrowing, must precede export growth. "The IMF attitude is that foreign debt should parallel foreign exchange earnings."

Mr. Virata confirmed, however, that the Government has relaxed its campaign to gain international acceptance for a relaxation of the law restricting debt servicing to 20 per cent of the previous year's earnings.

Earlier this year several Ministers and officials argued that the country's \$9bn debt was manageable and that a change in the law was necessary to enable the Philippines "to borrow its way out of the crisis."

Mr. Virata is confident that a balance of payments turnaround can be achieved: "The situation is comparable with that in 1975, when we had a deficit of over \$500m. It was reduced to \$160m in 1976 and a small surplus was achieved in 1977."

Nablus mayor on hunger strike over deportation

BY DAVID LENNON IN TEL AVIV

THE MAYOR of Nablus, Mr. Bassam Shaka, declared a hunger strike yesterday when the Israeli Government rejected an appeal by other Arab mayors against the decision to deport him. Mr. Shaka, who is accused of incitement, has been held in an Israeli jail since Sunday.

Mayors from the occupied territories who made the appeal to the Israeli authorities resigned when they heard that the Cabinet's inner defence committee had confirmed the earlier decision to expel Mr. Shaka. The mayors thus joined colleagues who resigned on Tuesday. By last night the mayors of all the towns on the West Bank of the Jordan had resigned, as had the mayor of Gaza.

The only hope that the mayors will return to their posts is if the Supreme Court accepts Mr. Shaka's appeal against the expulsion order.

Relations between the Israeli authorities and the Palestinians of the occupied territories have now reached one of their lowest points in recent years. Even moderate leaders, like Mr. Elias Freij, Mayor of Bethlehem, said that the Government's decision yesterday was evidence that Israel was not serious about living in peace with the Palestinians.

Mr. Freij, who was one of the mayors who appealed on Tuesday to Mr. Ezer Weizman, the Defence Minister, against the expulsion order, said yesterday that he was totally surprised by the Government's decision. At the meeting with the Defence Minister the mayors had been given the impression that the Minister was in favour of at least releasing Mr. Shaka until the court hearings about his deportation were concluded. Mr. Shaka's lawyer, Mrs. Felicia Langer, announced that the mayor was starting a hun-

ger strike in Ramle Prison and would continue it until he was released.

The head of the Egyptian delegation to the Palestinian autonomy talks which opened in Tel Aviv yesterday said that the Shaka affair had cast a shadow over the discussions. The official indicated that this would do little to encourage the Palestinians to join the talks. But as the current meeting is dealing solely with technical matters it is expected to continue despite the latest developments.

Meanwhile, the Government's parliamentary strength was further eroded yesterday with the decision of the religious Agudat Israel Party to leave the coalition because of the Government's failure to pass anti-abortion legislation. When these four members withdraw, probably next week, the coalition will be left with 62 seats in the 120-member Knesset.

Mrs. Gandhi wins strong ally in Uttar Pradesh

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI yesterday gained a powerful ally in Mr. H. N. Bahuguna, until recently Finance Minister in Mr. Charan Singh's caretaker Government. His support is timely in view of the fact that general elections are to be held on January 3 and 6.

Mr. Bahuguna is a political heavyweight, especially in the key Hindi-speaking State of Uttar Pradesh, where both he and Mrs. Gandhi — as well as many other important Indian leaders — have their base.

Apart from his acknowledged standing in Uttar Pradesh, where he was once Chief Minister, Mr. Bahuguna has the support of most of India's 80m Moslems.

Mr. Bahuguna brings with him the support of the minorities which the former Prime Minister must successfully woo if she is to do well in the elections.

His importance can be judged from the key role he played in the defeat of Mrs. Gandhi in the 1977 General Election. Just before the election, he quit Mrs. Gandhi's Congress Party and took Mr. Jagjivan Ram, the Harijan (Un-

touchable) leader, with him. This was a major factor in the result.

Mrs. Gandhi has been biding talks with Mr. Bahuguna for some weeks through intermediaries and the two held their first formal meeting yesterday, accompanied by Mrs. Gandhi at the meeting were her son, Sanjay, and many of her followers.

Mrs. Gandhi's considerably improved position — particularly in Uttar Pradesh, from which she hopes to stage a comeback — comes at a time when the Indian pre-election scene is fluid and parties are manoeuvring for alliances.

So far, the Janta Party has not obtained any allies, although it is negotiating for electoral "adjustments" with the Congress faction opposed to Mrs. Gandhi in South India.

The Congress is now a coalition partner of Mr. Charan Singh's Lok Dal, and he has made it clear that he does not favour its proposed links with the Janata. With little to lose, Mrs. Gandhi is fast gaining strength by driving a wedge into the ranks of her opponents.

Vietnam delays relief barge for Kampuchea

By David Housego

AN OXFAM barge carrying relief supplies to Phnom Penh, the capital of Kampuchea, is being delayed at the mouth of the Mekong River.

The Vietnamese are demanding \$9,000 (\$4,265) in fees for passage of the barge through the 160-mile stretch of the river that lies in their territory.

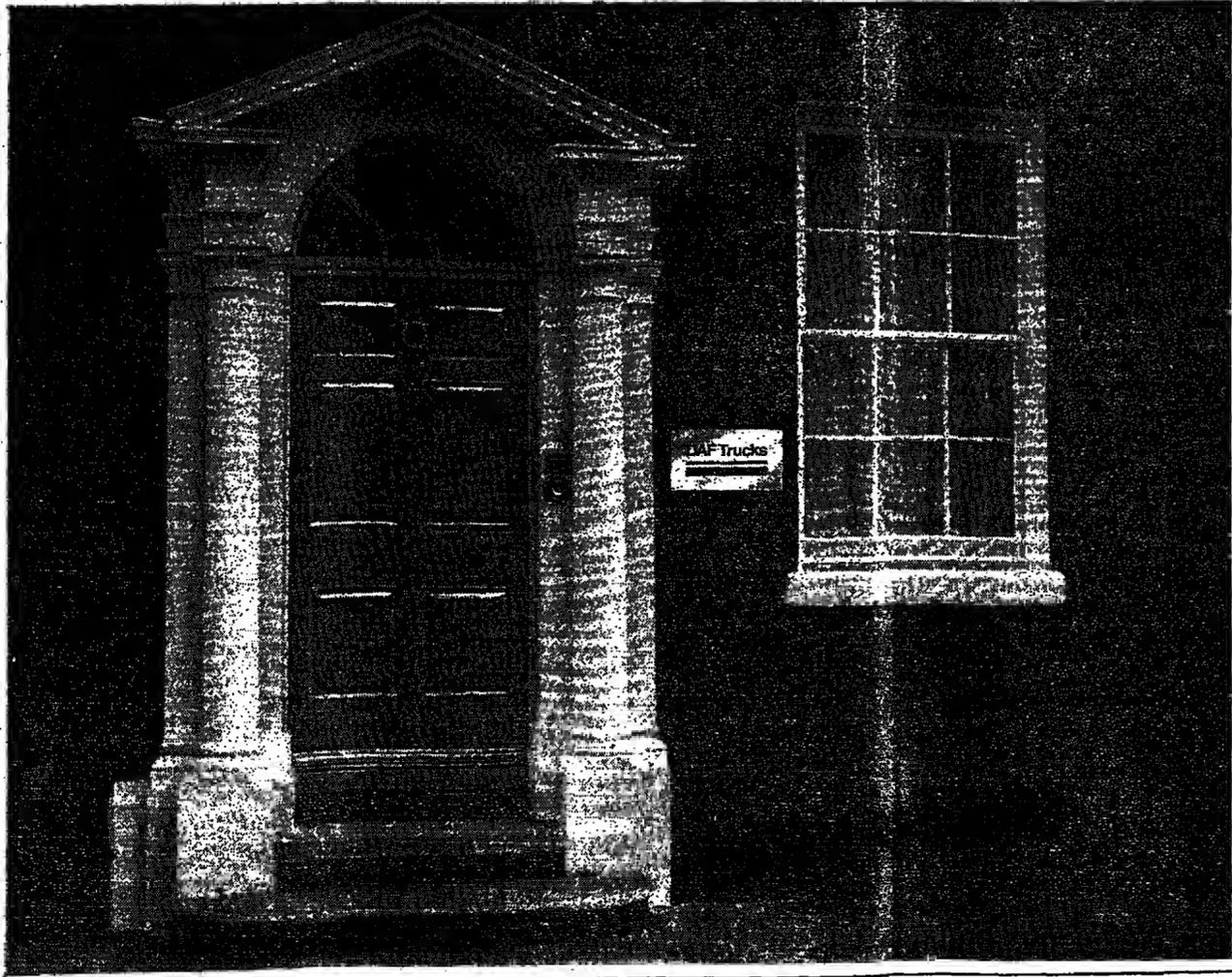
Mr. Guy Stringer, Deputy Director of Oxfam, said yesterday the barge had been held up for about 38 hours.

He was not surprised at the demand. He had expected a fee of \$8,000 to cover immigration and pilot's dues, but had provided the Oxfam official on board with \$10,000.

The barge, carrying \$400,000-worth of supplies for starving Kampuchea, is the first Western vessel to have sailed up the river since the Vietnamese announced it would be open.

Journalist held
Pakistan's martial law Government has arrested Mr. Salamat Ali, a staff correspondent of the Hong Kong-based Far Eastern Economic Review. Reuter reports from Islamabad.

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IRAN WIELDS THE MONEY WEAPON

Decision made by a small inexperienced group

THE DECISION to transfer Iran's foreign currency reserves away from U.S. banks was announced yesterday by Mr. Abul Hassan Bani-Sadr...

While maintaining the formal veil of established procedure, the announcement disguised the probability that the decision was taken by a small group of individuals with little practical experience of such matters.

Mr. Ali Mahdavi-Rad, who is running the bank's international department, is a young man fresh from the academic world but is regarded by Western bankers as "sensible."

ad hoc committee whose existence has sometimes been denied. Mr. Bani-Sadr is believed to have taken the chair of the committee. Its size and other members are unknown but most are likely to be Muslim clerics.

It is highly unlikely that Ayatollah Khomeini in Qom was consulted in advance on the proposed action over the foreign exchange reserves, although the proposal will have been put to his aides, to be conveyed to the "Imam."

Assessments by Andrew Whitley, John Evans, Nicholas Colchester and Richard Johns in London, and David Buchan in Washington

Carter's answer to 'unusual threat'

THE SWIFT action yesterday by President Jimmy Carter to freeze official Iranian Government assets and property in the United States was taken under the International Emergency Economic Powers Act...

Vance in crisis talks at UN

MEMBERS of the United Nations Security Council met privately yesterday with the serving president, Dr. Sergio Palacios de Bolivia, to consider Iran's request for a meeting to discuss its dispute with the U.S., but an early meeting appears unlikely.

Several members noted that the Iranian authorities had so far not even had the courtesy to reply to the council's urgent appeal last Friday for the release of the hostages being held at the U.S. embassy in Tehran.

Mr. Cyrus Vance, the U.S. Secretary of State, was last night due to hold talks with Dr. Kurt Waldheim, the UN Secretary-General to discuss the crisis.

At a Press conference in Tehran yesterday, Mr. Ali Akbar Moftari, the provisional Oil Minister, predicted a possible rise in oil prices as a result of the cut-off in oil sales to the U.S.

Mr. Miller said that the U.S. could also hold aircraft belonging to Iran Air on the ground at U.S. airports. But stressing the U.S. was not acting to confiscate Iranian government property, he again suggested such aircraft would be free to leave under Treasury "licences" which could be given speedily.

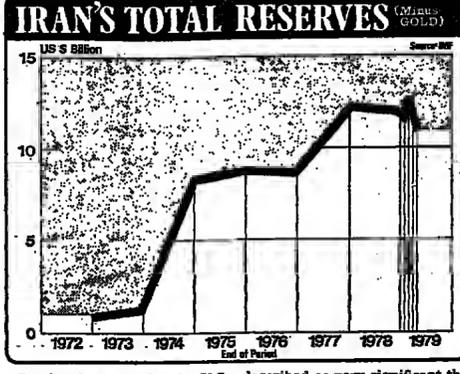
Nor did the freezing order seek to impose a trade embargo on Iran, which depends still quite heavily on the U.S. for food imports (totaling \$350m in the first eight months of 1979).

West's long-held fears come to pass

A MAJOR oil exporter in the Middle East threatened yesterday to use the "money weapon" against Western interests. But Iran's announcement that it intends withdrawing its official deposits in the U.S. and moving the funds to banks of other countries met an immediate response from President Jimmy Carter, who froze Iranian funds in the U.S.

On balance, however, Iran should still have more foreign assets than debts, particularly when the Shah's substantial investments in such ventures as Krupp of West Germany and his former Government's loans to Western bodies such as Britain's National Water Council are taken into account.

In addition a vast influx of Iranian funds would be welcome in Europe at a time when most governments are imposing tougher domestic credit and monetary restraint in order to combat inflation.



Iranian deposits with the U.S. banking system are in fact split between funds actually lodged in the U.S. and funds on deposit with American bank branches operating in the Eurocurrency markets.

Iranian deposits with the U.S. banking system are in fact split between funds actually lodged in the U.S. and funds on deposit with American bank branches operating in the Eurocurrency markets. The exact division of these funds between domestic and Eurodollar funds is not known.

Earlier this year Western banks carried out a private poll to see whether they felt they had the legal or ethical right to take such radical action as a way of safeguarding Eurocurrency loans extended to Iranian borrowers following disruption caused by the revolution.

President Carter's reaction yesterday pre-empted any such moves by the Western banking community. No national money

depreciation of the dollar, Kuwait has regarded the U.S. as the best long-term prospect, both in terms of growth and return. For blue-chip assets now included in the Reserve Fund for Future Generations set up in 1976.

As for shorter-term liquid funds, Saudi Arabia, Kuwait, Abu Dhabi and Qatar have long been reconciled to the fact that

whatever the weakness of the dollar—there is a strict limit to the extent to which they can move into other countries because of the restrictions on access to them.

Total foreign assets of the surplus oil producers—all including Iran in the Middle East—amounted to about \$140bn at the end of 1978. About 70-75 per cent was placed in dollar instruments but the volume in the Euromarkets was reckoned to be half as much again as that invested in the U.S.

Growing Arab fears about assets

ANXIETY in the Arab oil-producing countries, particularly Saudi Arabia and Kuwait, about the security of their U.S. investments, which currently total an estimated \$35bn, will be heightened by President Carter's action in freezing Iranian assets.

Iran borrowed heavily in the international capital markets up to the end of 1978 when the upheavals which overthrew the Shah began.

Like other stakes in the Organisation of Petroleum Exporting Countries (OPEC) with large populations and aggressive industrialisation and military programmes, Iran found that the scale of its development plans were eroding its oil income at much faster rates than anticipated.

This year, Iran's total foreign debt has been estimated at up to \$5bn, although the country has one of the lowest debt service

OVERSEAS NEWS

Botha signals shake-up for security services

BY QUENTIN PEEL IN JOHANNESBURG THE APPOINTMENT of a young and relatively unknown Professor of Political Science to head South Africa's Department of National Security—the former Bureau of State Security (BOSS)—heralds a shake-up in the country's intelligence services.

AMERICAN NEWS

Toronto evacuees going home

THE 75,000 to 100,000 remaining evacuees from the Toronto suburb of Mississauga were expected to return home last night, Frederick Langan writes from Toronto.

Thailand injects \$500m to ease money supply

BY DAVID DODWELL IN BANGKOK THE THAI Government is to inject \$500m into the economy as part of a plan to ease the country's tight money supply.

Korean police arrest 23 'subversives'

SEOUL—South Korean police have arrested 23 people they allege are part of a pro-Communist guerrilla network, including local leaders of Amnesty International, the London-based human rights group, a Government spokesman said yesterday.

Britain, Argentina to exchange ambassadors

BRITAIN and Argentina are to resume diplomatic relations at ambassadorial level, Robert Lindsey writes from Buenos Aires. Argentina downgraded relations in 1976 because of the dispute over the Falklands. The British Foreign Office will be Mr. A. J. Williams, new ambassador to Libya.

Mexico airline strike hits tourism earnings

THE two-week strike at Mexico's private airline Mexicana de Aviacion, has cost the country an estimated \$27m in lost tourism revenue, according to the Tourism Ministry. William Chislett writes from Mexico City. Mexicana's ground staff are demanding a 30 per cent wage increase, but the most offered so far is 15 per cent.

CROWDED FIELD FOR REPUBLICAN NOMINATION

Reagan starts the race well ahead

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

IN 1972, when Senator George McGovern led the liberal wing to victory in the Democratic Party's Presidential nomination, his press secretary, Mr. Frank Mankiewicz, used to delve into his third packet of cigarettes of the day and point his craggy face at the press.



put Mr. Bush's chances lightly. He does not rate in the opinion polls and although, as a past party chairman, he is rather well liked, he is generally dismissed as a lightweight.

Mr. Reagan will be carefully presented to the public to give the maximum impression of vitality. He will be portrayed as the leader with the answers for the 1980s, a man of conviction and vision, but not devoid of humanity, somebody with whom even moderates can appear comfortable.

The lighter blues hope Messrs. Reagan and Connally get into the worst kind of dogfight. The prime beneficiaries would be Senator Howard Baker and Mr. George Bush.

At this stage, the other Republican candidates are being given short shrift. Mr. Anderson is said to be too liberal, Congressman Philip Crane too conservative, and Senator Robert Dole too old.

Mr. Baker, the Republican leader in the Senate, has the credentials. He has experience of the way government works, an articulate speaking manner, and an air of responsibility. He upsets the conservative wing by voting in favour of the Panama Canal treaties, but is trying to remedy that by leading the opposition to the SALT-II treaty with the Soviet Union.

Mr. Baker's problem is that he may fall into the same category as past Democrat pretenders such as Senator Edmund Muskie or Senator Henry Jackson, who look marvellous in theory but cannot campaign their way out of a practical paper bag. Mr. Baker's organisation is thought to be very weak. Two weekends ago he shipped the national press up to a Republican dinner in Maine, expecting to be acclaimed by the party faithful. A straw poll put him second to Mr. Bush.

But any assumptions at this stage must be very large. After all, four years ago, when the Democrats had as many contenders as the Republicans do now, one of the more obscure was a peanut farmer and former Governor of Georgia.

Handwritten text at the bottom of the page: 'Handwritten text in Arabic script'.

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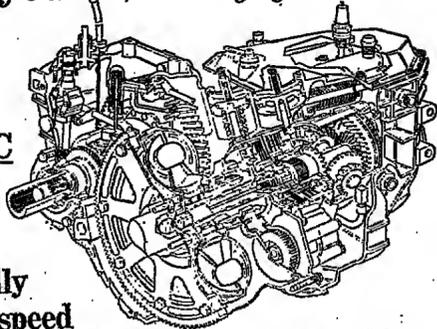
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*Lancia Beta Saloon 1600 from £5084.24, 2000 from £5377.02, 2000ES from £5756.99, Automatic transmission £154.73 extra. Prices correct at time of going to press, include Car Tax, VAT at 15%, Inertia reel seat belts and delivery charges on UK mainland, but exclude number plates. †Manufacturers figures.



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Manual from £5084.24* Automatic from £5538.97*



RHODESIA SANCTIONS

Little impact expected on economy

BY TONY HAWKINS IN SALISBURY

THE BRITISH Government's decision not to renew the Rhodesia sanctions order will not have a major impact on the Zimbabwe Rhodesian economy. Salisbury businessmen and economists believe that the lapsing of the sanctions order is likely to be overtaken very shortly—within weeks—by positive steps by the British Government to reopen trade links with Rhodesia immediately a British governor takes office in the capital.

Only about 10 to 15 per cent of sanctions will be affected by the lapse of the formal sanctions order, which will, however, allow some trade between Britain and Rhodesia through third parties.

Business sources point out that there has been rapid erosion of sanctions in the last year and particularly in recent months. Very few countries take sanctions at all seriously, and the main constraints on the Rhodesian economy take the form of physical shortages, transport problems and the scarcity of manpower—the result of the guerrilla war and not the economic campaign as such.

Undoubtedly there will be a boost to business morale and consumer confidence, but as long as the war continues and as long

as the country is not recognised by major Western countries, the impact of total sanctions abolition will be much diluted.

Senior government sources go to some pains to warn against undue optimism over the impact of sanctions abolition. They agree that there will be a 15 or 20 per cent improvement in the foreign exchange position next year but point out that this will be jeopardised to an as yet unknown extent by what happens to the world economy in 1980 and by trends in oil prices.

With the war absorbing 37 per cent of the national budget and about 17 per cent of gross domestic product, no major economic improvement is likely unless the Lancaster House talks succeed in ending hostilities as well as economic sanctions.

The foreign exchange cost of the war is denying industry and commerce much-needed imported materials.

Exports and economic activity as a whole is also restrained by the skilled manpower shortage—its direct function of the military call-up on the one hand and the rate of white emigration on the other.

Business sources expect the

economic recovery from sanctions to be relatively slow. Economists here are forecasting a year of nil real growth for the Zimbabwe Rhodesia economy in 1979, or possibly a slight fall in real output. But next year, the plan is for growth of about 15 to 18 per cent at current prices, but with inflation of 14 to 15 per cent, making real growth of only some 3 per cent. It would be the first real growth achieved by the economy since 1974.

Officials believe that Britain will not regain its former dominant trading position in Rhodesia after all sanctions have been lifted. As one businessman put it: "The Brits will lose out. They've asked for it and they are going to get it."

In 1965, Britain was Rhodesia's largest trading partner—with exports then worth £36m pounds to Rhodesia (30 per cent of total imports into Rhodesia) and imports from Rhodesia worth £31.8m (22 per cent of Salisbury's total exports).

It is calculated that, since 1965, both exports and imports in Zimbabwe Rhodesia have more than doubled, but Britain has not shared in any of this growth. It is accepted

that the British will get some of their market back, but nothing like the 25 per cent total stake of combined imports and exports that the UK enjoyed in 1965.

One reason for this is straightforward policy. Neither country wants to become as dependent as before on a single supplier or customer.

Sentiment will matter also. There is a residue of distaste here towards UK business. This was highlighted prior to the Lancaster House talks when it was reported that certain UK based multinationals with West African (and especially Nigerian) interests were warning Mrs Thatcher about the dangers of seeking a bilateral deal with Bishop Muzorewa and excluding the Patriotic Front.

Furthermore, during the 14 years in which Britain has been excluded from the Rhodesian market, new trading links and relationships, especially with Western Europe, Japan and South Africa have been established. These are unlikely to be dropped. Businessmen have found Britain's competitors to be more reliable in respect of delivery dates, quality and after sales service and more often than not, cheaper sources of supply.

Questions over UK rights

By Our Foreign Staff

DOES THE British Parliament have the right to lift sanctions? One year ago Lord Carrington, then leader of the Conservatives in the Lords, did not think so: "Any resolution to abandon sanctions would, of course, have to be agreed by the Security Council and be subject to the veto of its permanent members."

Lords Home and Salisbury agreed with him on Britain's obligations to the United Nations. Lord Hailsham questioned whether the UK veto could be used against any retaliatory action by the UN.

Today it is a moot point whether Britain's obligations have changed. The situation on the ground is slightly altered and would be drastically so if the British Government were to decide that legality was in the process of being restored.

Britain's sovereignty in Rhodesia has frequently been confirmed by the UN Security Council. However, the question remains of whether it is sufficient for Britain to inform the Security Council that the threat to peace is over or whether the Security Council must vote to allow the lifting of sanctions.

The Rhodesians claim that should Britain declare the rebellion over, the UN sanctions would simply wither away. They cite as examples what happened to League of Nations sanctions against Italy and UN sanctions against North Korea.

And they add that this was the position spelt out to them by the advisers of Lord Home when he visited Salisbury as Foreign Secretary in 1977.

UN Security Council Resolution 221 of April 1966 called on Britain to prevent oil from reaching Rhodesia, authorising the establishment of the Mpra patrol.

Resolution 232 of 1966 called for selective mandatory sanctions against specified Rhodesian exports, while Resolution 253 of 1968 introduced a mandatory embargo on all trade with Rhodesia.

Resolution 253 invokes Chapter VII of the UN Charter, thus allowing the Security Council to take action by air, sea or land forces. It reminds members that failure to carry out the resolution would be in breach of Article 25 of the Charter wherein members of the UN agree to accept and carry out the decisions of the Security Council.

There is nothing in the resolution which allows Britain or any other member of the United Nations to take any unilateral action contrary to the resolution.

The British Government points out that there is no precedent for the UN Security Council voting to rescind an earlier resolution.

It does, however, accept that there is the need at least to inform the Security Council that it judges legality has returned and the threat to peace disappeared.

A number of lawyers in the Commonwealth strongly challenge this and the UN Sanctions Committee has already expressed its "grave concern" at Britain's lifting of Section 2.

Renault car plan for India

By K. K. Sharma in New Delhi

THE RENAULT group has submitted a proposal to the Indian Government for manufacture of a passenger car in collaboration with Indian car companies. The proposal envisages manufacture of a model which would be marketed only in India.

M. Claude Costes, Renault's deputy general manager for Asia and the Pacific, said that he was now awaiting the Government's response.

M. Costes added that Renault would be submitting another proposal for manufacture of trucks in India. This would involve collaboration with Kirloskar Cummins to produce engines based on a three-axle 260 horse power model designed by Renault.

Meanwhile Mecon, the Indian Government-owned consultancy and Alusuisse of Switzerland have agreed to launch a new company on the basis of 50 per cent partnership each to undertake turn-key projects in third countries.

The company will be a prime contractor, unlike other Indian companies which have either supervised or shared contracts of others. It is expected to be called Indo-Swiss Engineering and its first chairman will be Indian.

Its main markets will be in the Middle East, where it will compete for all kinds of engineering contracts, including those for which Alusuisse is already tendering.

Mecon will draw on the resources of other Indian public sector companies, many of which have successfully taken on contracts in the Middle East. The maximum possible equipment to be obtained from Indian companies for the contracts

Controls which Britain retains

THE LAPSING of Section 2 of the Southern Rhodesia Act 1965 at midnight tonight means the end of the main legislation enacted specifically to deal with UDL. However, the Government retains numerous controls on dealings with the colony.

Below, our diplomatic correspondent details the main weapons in London's hands. This situation applies in the United Kingdom, the Channel Islands, the Isle of Man and British colonies will continue to be subject to orders issued under the United Nations Act 1946, which are not renewed annually.

Direct trade: Trade between the UK and Rhodesia is regulated under two orders issued under the Import, Export and Customs Powers (Defence) Act 1939. The Imports of Goods (Control) Order 1954 and the Exports of Goods (Control) Order 1978 require the general licensing of imports and exports. Such licences are not given for any trade with Rhodesia except for a few small items such as publications.

Reinforcing this, the Exchange Control Act 1947 requires that exports must have been paid for in advance in foreign exchange other than Rhodesian, and forms to this effect must be certified by an authorised bank. The Bank of England expects such forms to be accompanied by an export licence.

The lifting of exchange controls last month has not altered the legal position regarding Rhodesia. Restrictions necessary to continue economic sanctions against Rhodesia remain in force.

The orders controlling imports and exports can be lifted by the signature of an under-secretary or assistant secretary at the Department of Trade.

Given the emergency nature of the 1939 Act the opposition does not have the right to "lay a prayer" in Parliament against such a move, according to the Department of Trade.

Changing the statutory instruments of the Treasury, such as the Exchange Control Act, needs the signature of two of the seven Lords Commissioners—the Prime Minister, the Chancellor of the Exchequer and five government whips. The opposition can lay a prayer against such a move.

Indirect trade: The 1968 sanctions order severely restricts the involvement of United Kingdom nationals, companies, ships and aircraft in any export made from Rhodesia to any country and in any import to Rhodesia from any country.

It also banned any act promoting trade with Rhodesia. When the order lapses it will be harder to control such activities except where direct UK-Rhodesian trade is concerned. The Department of Trade argues that legislation covering "trading with the enemy" could not be applied.

The 1954 and 1978 orders controlling imports and exports impose a number of restrictions on indirect trade, as does the Exchange Control Act 1947.

Consent is not usually granted, although various humanitarian exceptions are made. Fensons, for instance, may be transferred. The Act also places certain restrictions on UK residents selling assets in Rhodesia.

The Income and Corporation

Taxes Act 1970 puts certain restrictions on the disposal by UK companies of their shareholdings in Rhodesian subsidiaries.

Travel—The 1968 sanctions order prohibited all flights into or out of Rhodesia by British and Rhodesian aircraft. Even when the sanctions order lapses the Department of Trade and Civil Aviation authorities retain considerable general powers—as shown when flights to Uganda from Stansted airport were stopped.

The procedure for re-establishing flights depends on the status of the territory. If it is a colony then any air services are a sovereign matter of Britain. On independence an air services agreement would have to be negotiated.

The Home Office has permanent prerogative powers to refuse to recognise Rhodesian passports and to refuse admission to those carrying Rhodesian passports unless they can establish that they are a UK citizen.

Where potential mercenaries are concerned, the Foreign Secretary has the right to withhold or withdraw passports although in practice this is virtually unenforceable.

The New Southern Rhodesia Act—The Bill passed through Parliament this week reinforces the last few provisions. While its main purpose is to give the Government power to handle any transition, it also allows the Government to lift any measures against Rhodesia.

It also contains a clause allowing it to make any provisions during the period up to independence in other words, to re-impose sanctions. Any measure made under the new Bill must be confirmed by Parliament within 28 days.

Changes make curbs more difficult

BY DAVID TONGE

BRITISH sanctions against Rhodesia have always had the nature of a sieve. Now the mesh of that sieve has been considerably enlarged by the decision not to renew Section 2 of the Southern Rhodesia Act, 1965.

When this lapses at midnight tonight, curbs on trade with Rhodesia will have become that much harder and some activities—for instance advertising for consultants, or government staff—will have been totally freed.

The Government's argument in allowing these changes is three-fold. Relying in part on hope, it trusts that there will be only a short period between the non-renewal of the sanctions order and the adoption by the UK of full powers in the territory.

Turning to politics, the Government believes that a small legal impropriety had to be balanced against what it, but not the Opposition, considers to be overwhelming political arguments. And finally, it emphasises that the changes do not affect most sanctions.

From midnight, it will still not be lawful possible to carry out trade between Britain and Rhodesia. However, it will no longer be an offence to engage in "any act calculated to promote" trade with Rhodesia. The net will spread less wide.

The 1968 order applied to all

citizens of Britain and its colonies—including Rhodesia—and to all companies registered in the UK and Rhodesia. It covered the activities of these throughout the world. But from now on, British individuals and companies are not forbidden by British legislation from arranging for trade between their subsidiaries in third countries and Rhodesia.

The possibility of oil being a separate case has been raised. In the wake of the Bingham Inquiry, BP and Shell gave "voluntary" assurances, but it is unclear where these will continue to apply. The UK insurance industry had long before given assurances that it would not cover trade with Rhodesia and these are expected to remain valid.

Indirect exports from Britain by British companies and citizens remain forbidden. The effect of the Exchange Control Act 1947, is to prevent any export from the UK to the ultimate destination of Rhodesia.

In the case of Superheater v. Commissioners of Customs and Excise, it was established that deciding on the ultimate destination required considering the destination contemplated by the exporter, not merely his contractual position. The Government is more than aware of this case. The then Geoffrey

Howe, QC, represented Superheater in it.

Importing to the UK is also strictly circumscribed. Importing directly from Rhodesia is forbidden under the Imports of Goods (Control) Order, 1954. Importing indirectly is more complicated. Principals are legally responsible for the acts of their agents. If the third party involved—a trader in South Africa—can be shown to be an agent of a UK company, then that import should be forbidden.

A different situation might arise if the third party were also agent of a Rhodesian exporter, since the argument has been advanced that in law an individual cannot be an agent to both parties to a deal.

However, two other factors have to be taken into account, the destination of the payment and the origin of the goods as entered in the import licence form.

Transfer of funds to or for the credit of a person resident in Rhodesia is forbidden, though this provision is difficult to enforce. Although an offence, it would be possible to arrange payment through a third party.

But the problem of "origin" has still to be overcome. Britain follows EEC practice in defining origin as the place of last most significant manufacture; in most cases this also means the last place where the

product or its raw materials changed tariff classification.

The penalties for false declarations set by the 1954 Imports Control Order are small—a maximum fine of £500 and/or six months' imprisonment. However, the Customs and Excise Act, 1952, sets much stiffer penalties: exporting goods contrary to prohibitions entails a potential penalty of three times the value of the goods.

Crucial however, is the degree of diligence which the authorities are prepared to show. In the past 14 years, successive British Governments have claimed that they have done more than anyone else; the several hundred seeming infringements brought to the notice of the UN Sanctions Committee. In Britain, 45 prosecutions have been brought and 36 convictions obtained—though few with large penalties. But the Director of Public Prosecutions has still to decide what action to take on the Bingham Report.

But, in general, it appears that the decision not to renew Section 2 has further eroded the efficacy of a far-from-perfect system. The present situation may not continue long but the determined sanctions breaker will undoubtedly be encouraged.

OTHER WORLD TRADE NEWS

Manila to negotiate with Isuzu as Perkins drops out of project

BY DANIEL NELSON IN MANILA

PERKINS of the UK and the Philippine Board of Investments (BOI) have terminated "eight months' negotiations over" the establishment of a diesel engine manufacturing plant.

The Philippine Government will now open talks with Isuzu. A 30-day deadline has been set for discussions with the Japanese company and if agreement is not reached, the BOI will approach British Leyland.

Both Isuzu and British Leyland were among the original contenders for the Philippine diesel engine projects for which MAN of West Germany and Perkins were eventually short-listed. Agreement was reached

with MAN last week for the establishment of a £35.5m plant to produce engines of 90 horse power and over. Perkins has been negotiating for a £50m plant to produce engines in the 50 to 155 horse power range.

Mr. Roberto Ongpin, the Minister of Industry, said today that Perkins had accepted the Government's local content terms, but had asked for more time to study details of the stipulations on export commitments.

Mr. Ongpin stressed the amicability of the "mutual decision to terminate negotiations," which he said did not prejudice Perkins' possible

participation in related or separate projects.

Harold Duffy adds a spokesman at Perkins' head office in Peterborough and the company believes the door is still open to investment in the Philippines, probably at a later date, and involving a more gradual approach. It will continue to export engines to the Philippines, where it already has thousands of engines in use which provide a continuing business in parts and servicing.

Perkins has subsidiaries and licensees in 25 countries, and exports of finished engines and engine kits comprise more than 70 per cent of Peterborough's output.

Airbus production rise planned

PARIS → M. Joel Le Theule, French Transport Minister, said yesterday Airbus production will rise to eight a month from the present three by 1984.

He told the weekly Cabinet meeting that more than FR 300m would be invested next year to increase the production rate. Reuter reported.

Transport officials said the Airbus group plans to increase the monthly production rate to ten a month by 1985 to meet orders for around 400 Airbus already placed.

Meanwhile, Airbus Industrie, the European consortium building the A-300 and A-310 Airbus, has begun talks with Japanese aircraft manufacturers

on the possible joint development of a new 120-160 seater jet airliner, writes Michael Dome.

Known as Airbus Industrie as the "Joint European Transport" programme, the proposed new aircraft is intended for short-to-medium ranges, with two engines, possibly either the new Rolls-Royce RB-432 of about 18,000 lb thrust, or the Franco-U.S. (Sneema-General Electric) CFM-56 in its Dash 3 variant of about 20,000 lb thrust.

The precise design of this aircraft is not yet settled, but because of heavy development costs, it would be desirable to link with other airframe manufacturers. The Japanese in-

dustry has shown considerable interest in the programme.

Mr. Jean Cognard, executive vice-president of Airbus Industrie, said in Tokyo that if Japan saw manufacturers participate in the venture, the chances of selling the aircraft in Japan would be increased.

Rolls-Royce is discussing with Japanese aero-engine manufacturers the possibility of collaborating on the development of the new RB-432 engine, which would be suitable for the new aircraft.

These talks are understood to be making progress, with an agreement expected to be reached around the end of this year.

Probe into Barcelona free zone

BY ROBERT GRAHAM IN MADRID

THE SPANISH Finance Minister Sr. Jaime Garcia Anoveros has confirmed that investigations are being conducted into alleged irregularities in the administration of the Barcelona free trade zone. He added that the status of this and other free trade zones in Spain could change in the near future.

For over a week there have been allegations of irregularities in Barcelona free trade zone. Visiting Barcelona on Tuesday,

Sr. Anoveros was quoted by the press as saying "it appears that they (the free zone authorities) sought some land, which he bought, did not exist, and then sought to sell it back to the vendor." The sum involved in Barcelona is alleged to be about Pta 1.1bn (\$16m). Total outstanding debt of the free zone authority is understood to be about Pta 90m (\$120m).

The Government is currently giving serious consideration as to how to improve the

authority's financial position and ensure better financial control. In this respect Sr. Anoveros said that the status of Spain's free trade zones would have to change and perhaps disappear. He underlined that the maintenance of such zones was against EEC policy.

In addition to Barcelona there is a free port zone in the northern port of Vigo, while Cadix in the south west also has warehousing facilities subject to similar statutes.

Small rise in wool textile exports

THE UK wool textile industry, where more than 6,000 jobs have been lost in the past year, is just managing to keep its export sales ahead of those for 1978, according to the latest figures issued by the Wool Textile Delegation in Bradford.

In the first eight months of 1979, exports by value were worth £278.2m—an increase of £7.7m on the same period last year. Cloth exports, at £115.1m, were up 1 per cent and yarn exports at £49.5m rose by 4 per cent. Raw wool exports were up by 20 per cent at £37.7m, but earnings from tops (combed wool) fell by 2 per cent to £35.8m.

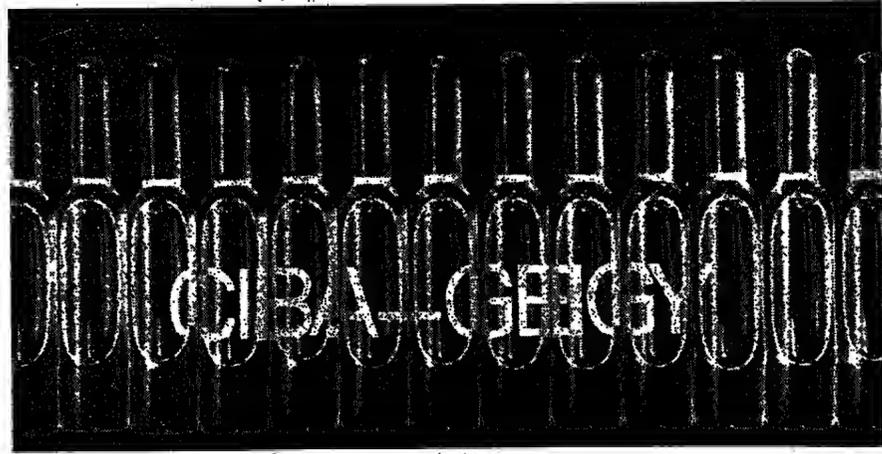
The modest rise in value obscures a decline in volume exports of most products. Though sales of woollens overseas—at present in strong fashion demand—did show an increase from 19.5m sq metres to 22.4m sq metres, sale of worsted were reduced from 13.4m sq metres to 11.2m sq metres.

Japan is one of the very few markets where demand for worsteds has increased this year, with sales up from 1.7m sq metres to 2.5m sq metres. There was also a modest increase in shipments to Western Europe, up from 3.25m sq metres to 3.28m. In the U.S.

where high tariff walls effectively limit sales, the industry managed to sell only 180,000 sq metres of worsted cloth, marginally less than in 1978.

The U.S. remains a strong market for woollens, which are generally less expensive and therefore less vulnerable to tariffs. Sales to the first seven months to the U.S. reached 3.25m sq metres.

Wool would benefit from the present energy crisis because it regenerated itself naturally as a fibre, Mr. David Asmus, newly-elected chairman of the International Wool Secretariat has claimed.



"Emergencies don't lead me to use air... cost/price analysis does."



René Harter, Traffic manager overseas and airfreight, Ciba-Geigy Ltd., Basel, Switzerland.

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Problems with KLM? I can't remember any so I guess they weren't too serious."

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"KLM adds an important link..."

Mr. Harter has an entire department devoted to working out the best way to ship to his customers round the world. Thanks to KLM's network... we fly to 115 cities in 70 countries... we can provide an important link to Ciba-Geigy.

And we've got 2,500 trained cargo people, working with 3,000 cargo agents, to help us give speedy, reliable service.

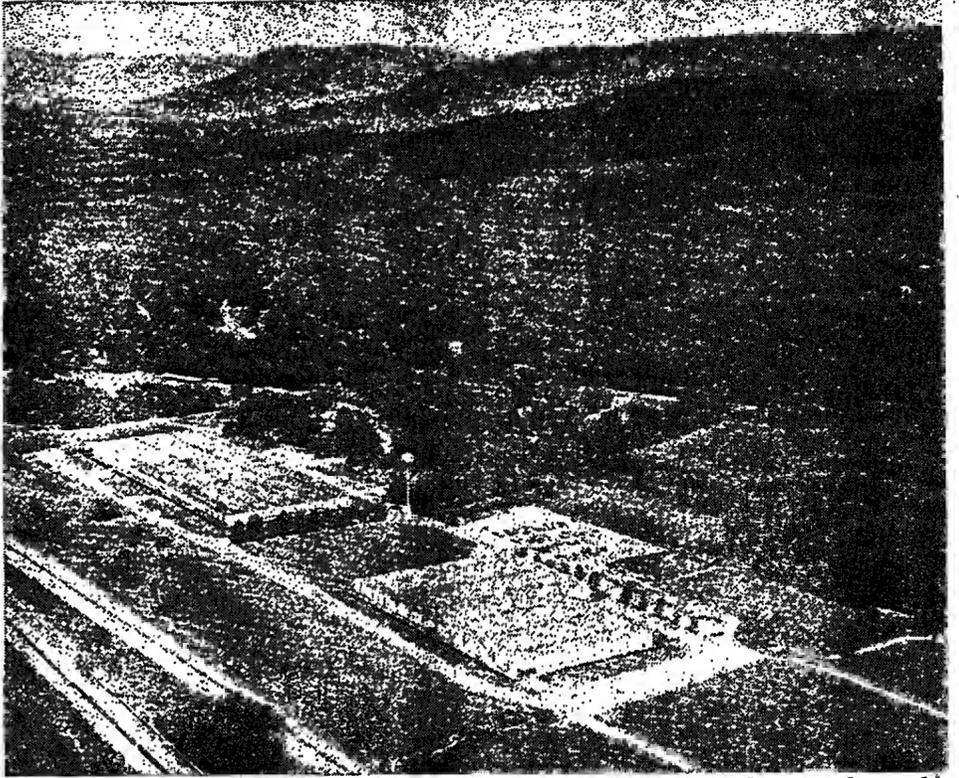
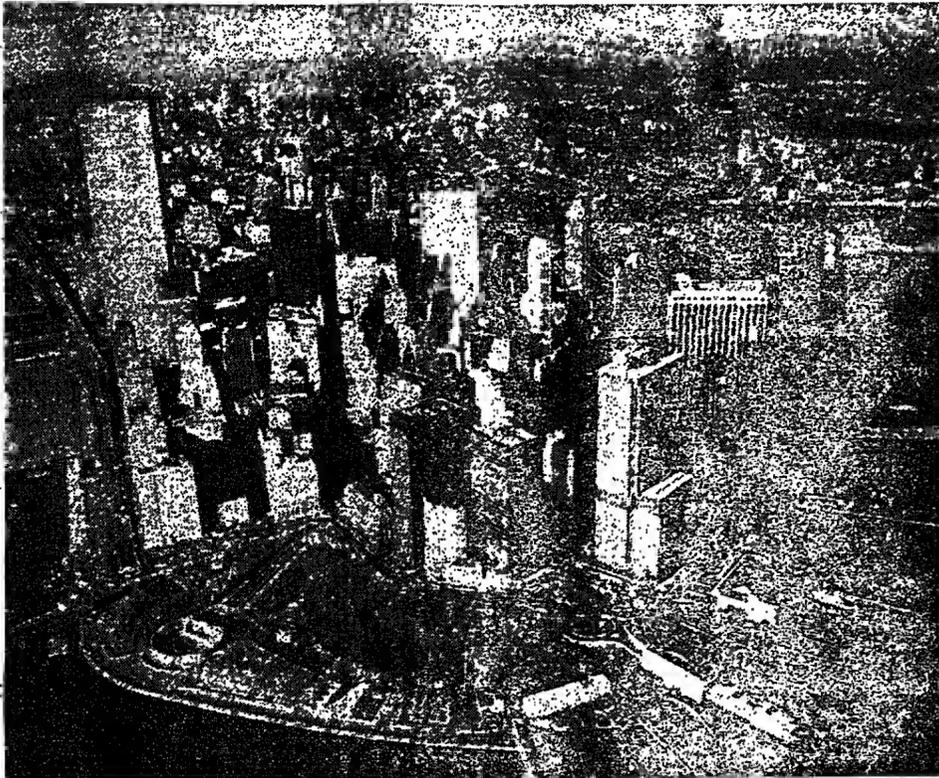
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UK NEWS

JOSEPH GIVES PLEDGE ON TAX AT PENSION FUNDS CONFERENCE

Savings sector spared

BY CHRISTINE MOIR

THE SPECIAL tax privileges of the pension funds and insurance companies will be spared during the Government's current major review of taxation.

Sir Keith Joseph, Industry Secretary, told a conference of the National Association of Pension Funds yesterday there was "no immediate prospect of change in the taxation reliefs available within the savings sector."

In recent months, there have been strong calls from the Stock Exchange, among others, for making taxation provisions more equal throughout the savings sector. At present pension funds pay no corporation tax, insurance companies pay at the rate of 37 1/2 per cent, and building societies are taxed on an average of their investors' personal tax bands.

The Stock Exchange has asked that these concessions be either abolished or extended to all forms of savings including investment in equities.

Sir Keith also told the conference that the sooner companies adopted inflation accounting procedures the better. It was time "to remove the veil from historical profits which are not profits at all," he said.

In his first major policy speech since the General Election, Sir Keith called upon the pension fund movement to take a more active role in monitoring the performance of companies in which they invest, to consider more investment in small businesses, and to educate the public into the economic realities of competition and profitability.

Support

Sir Keith admitted there were pitfalls in a policy of putting pressure on companies to maintain their performance. Management could rightly feel it was being interfered with. However, enlightened management would welcome the continuing and

Factory units scheme

Factory units scheme

BY ANDREW TAYLOR

A NEW property unit trust to invest in the construction and maintenance of small factory units is to be launched next spring. It will be supported by at least two major nationalised pension funds.

The scheme was announced yesterday by Mr. Hugh Jenkins, vice-chairman of the National Association of Pension Funds and director-general of the National Coal Board pension funds — one of two major funds which will subscribe to the new units.

Mr. Jenkins said at a conference of the pension funds association that it was likely that the new unit trust would start with funds of at least £2m.

I has not yet been decided who will manage the new trust, but there have been informal talks with County Bank.

Investment funds could combine to provide managerial advice and finance for businesses occupying the units, "which may be as small as 500 sq ft," Mr. Jenkins said.

A number of local authorities have undertaken to provide finance for the construction of small nursery units because of the lack of interest shown by major institutions.

More recently, however, funds have been showing increased interest in nursery unit investment. The Coal Board have spent about £20m to £25m accumulating a portfolio of small factory units totalling around 500,000 sq ft.

pose the greatest level of risk and are "intensive care" cases requiring considerable supervision from the investing fund, which may be totally disproportionate to the capital sum involved, he said.

For this reason, institutions had tended to shy away from the really small investments. However, by banding together as a consortium, the institutions could spread the risk, and by employing a specialist group of industrial managers could monitor the performance of the small companies on a regular basis without stretching the management capacity of the institutions themselves.

Boost for small ventures

A CONSORTIUM of major institutions is to be established in the New Year with an initial capital of £21m to £3m to be channelled into very small companies, writes Christine Moir.

Long-term finance and equity capital will be made available to companies seeking sums of less than £100,000.

The members of the consortium are the National Coal Board pension funds, Imperial Group pension funds, the Prudential Corporation, and a merchant bank. Day-to-day management will be provided by Development Capital, a small company in the sector.

Mr. Hugh Jenkins, director

general of the coal board funds, announced the formation of the consortium yesterday during his address to the conference of the National Association of Pension Funds.

He said he was conscious Governments of whatever colour were keen to encourage and assist small businesses to prosper and looked to the investing institutions to provide assistance.

An embryo company wanting £50,000 to start a business would undoubtedly find it harder to raise funds than one seeking £1m.

These very small companies

Marconi wins £200m sea missile contract

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

A CONTRACT worth more than £200m has been awarded to Marconi Space and Defence Systems by the Ministry of Defence for the final development and initial production of the new Sting Ray anti-submarine guided missile.

The eventual cost of the Sting Ray programme, including earlier development work and possible further production orders, could be about £800m at today's prices.

It will provide up to 5,000 jobs at Marconi and its major sub-contractors through the 1980s. Also involved on the programme are Marconi Avionics, McMichael Limited, Sperry Gyroscopes, Lucas Aerospace and Chlordia Industrial Batteries.

The Royal Ordnance factories at Chorley, Patricroft and Glasgow are sharing the work. Scientific and technical support is being given by the Admiralty Underwater Weapons Establishment, the Admiralty Marine Technology Establishment and the Royal Armament Research and Development Establishment.

Lord Strathcona, Minister of State (Defence) announcing the contract, said that it is based on a target cost incentive scheme. If the target is reached, Marconi Space and Defence Systems receives an agreed level of profit.

If costs are greater or smaller than the target, excess costs or the savings will be shared in agreed proportions. The cost to the Ministry would depend on the incentive arrangements, but was likely to exceed £200m, said Lord Strathcona. About £90m had been spent on development.

With the addition of the new contract and the further production orders which are possible during the eighties, the total development and production cost of Sting Ray could be around £800m at today's prices.

The Sting Ray can be launched from helicopters, maritime patrol aircraft and surface ships. Its computer-

controlled guidance system enables it to seek its target at high underwater speeds and it has the ability to evade enemy counter-measures.

The Ministry of Defence says it is the most advanced underwater weapon under development in the West.

Many other NATO countries are likely to buy it — including the U.S., which is well behind with its own lightweight underwater weapon system for the 1990s, the Ministry claims.

The Sting Ray is an all-British development. The UK and the U.S. have achieved several important electronics breakthroughs.

Mr. A. S. Walsh, managing director of MSDS (which is part of the GEC-Marconi Electronics group), said yesterday the Sting Ray programme would be difficult to justify as a purely commercial venture, but he thought it would ultimately have considerable commercial applications.

Esso £5m pipeline plan for Gatwick

By Michael Donne, Aerospace Correspondent

ESSO Petroleum is planning to build an aviation fuel pipeline between Alton and Purfleet, via Gatwick Airport, in the early 1980s, at a cost of over £5m.

Although initially required to supply aviation fuel to Gatwick, the pipeline will be designed to carry other petroleum products eventually.

The 12 in diameter pipeline will follow a route of about 85 miles due east from a point near Alton on the company's existing oil pipeline between Fawley Refinery and its West London terminal. It will be buried throughout its length, passing south of Godalming in Surrey and to the north of Cranleigh, initially terminating at Gatwick.

U.S. and British accountants may create international group

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

BIG ACCOUNTING firms in Britain and the U.S. are leading moves to create another international accounting group.

The British firm is Thornton Baker. It has 213 partners, 2,500 personnel and 58 offices and gross fees of £24m.

The U.S. firm is Alexander Grant, one of the "second eight" firms. It has 350 partners, 2,600 personnel, 58 offices and gross fees of £50m.

Alexander Grant was formerly a leading firm in the Alexander Grant Tansley Witt international group, which was severely damaged by the loss and break-up of Tansley Witt of the UK.

Thornton Baker had been the British part of another group led by Hurndman and Cranston, a big U.S. firm, which recently merged as part of a move to form a giant new international accounting firm called KMG.

The talks between Thornton Baker and Alexander Grant seem intended to create a group from the uncommitted firms in each of the previous groups. It may include Winspear Higgins Stevenson of Canada, STRECO in France, Beratings and Prufungs-Union of Germany, Shinwa Company of Japan, de Tombe/Bielke and Co. of Holland, Ross-Spencer, 'Hays' well and Welby Steward of

South Africa, Gossler Navarro Cinceros y Cia of Mexico, and Neutra, a major Swiss accounting firm.

Mr. Michael Lickiss, a senior partner of Thornton Baker, said yesterday a full announcement would be made before the end of the year.

"The objective is to establish a mini-KMG, which is another alternative to the 'big eight' international firms."

KMG consists of leading national accounting firms in Holland, Germany, France, Switzerland, the UK, Canada and the U.S. The UK member firm is Thomson McLintock.

'Last chance' for Scottish steel

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH STEEL industry is being given its last chance to get into profit. If it fails, its future could not be underwritten, Sir Charles Villiers, Chairman of the British Steel Corporation, said last night.

He told steel stock holders in Glasgow the end of the inter-union dispute at the £100m Hunterston Ore Terminal and the closing of the Shotton steelworks in North Wales had given the Scottish Division the opportunity to make 2m tonnes or more of excellent low cost steel a year.

With taxpayers' money, BSC

had modernised the Ravenscraig steel complex at Motherwell. It was offering the opportunity of new sales to motor companies, and the Shotton coatings complex, which would remain in operation after the closure of the steel works there.

"This can be tartan steel at its best, but it will take the individual effort of all the people involved. As the works director has already said, this is our last chance, because if Ravenscraig cannot get into profit as output rises to between 2m and 3m tonnes I, for one, could not underwrite its future."

Unilever accounting supported

By Michael Lafferty

UNILEVER'S method of accounting for currency fluctuations in financial statements was given overwhelming support yesterday at a meeting of the Accounting Standards Committee and senior executives from about 40 major companies.

Currency translation is one of the most contentious areas in company accounting, and is receiving the attention of standard-setting bodies in the U.S., Canada and Australia as well as the UK.

This increases the likelihood that the approach will be proposed in a forthcoming accounting standard from ASC, the UK company accounts rule-making body.

High prices for British paintings

By Antony Thorncroft

SURPRISINGLY high prices were paid at Sotheby's yesterday for the work of modern British artists. A small painting, by Walter Sickert, The Camdeo Town Murder, was bought by the London dealer Anthony D'Ottay for £23,500, an auction record for the artist.

Who's the lady, a hunting painting, by Sir Alfred Munnings, made £18,000; and Crane Kalman gave £16,500 for Industrial Landscape, by Lowry. All

Engineering shortages

SKILL SHORTAGES and lack of industrial training in the south east of England could have a serious effect on the engineering industry according to a report published today by the Manpower Services Commission and the National Economic Development Office.

The MSC and NEDO carried out the survey in the Reading area, because it typified the

south east, and discovered that the shortage of several kinds of skilled craftsmen and certain types of technical and professional staff was having an adverse effect on production.

The report concludes that there is also a serious under-provision of industrial training in the area because few companies were training above their present future needs.

Metrication Board closes

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE Metrication Board will be closed down from the end of next April even though the UK has not fully completed the switch to metrication.

The decision was announced yesterday by Mrs. Sally Oppenheim, Minister for Consumer Affairs. She said there was very limited scope for the board's activities following the Government's decision not to press ahead with compulsory orders to complete the metrication programme.

Consequently, when the contracts of the board expire on April 30, they will not be renewed, and it will be wound up.

The 33 full-time civil servants working for the board will be redeployed. The cost of the Metrication Board in the last financial year was £1,163m, of which about £511,000 was for administration.

The part-time chairman of the board, Mr. Max Wood, receives an annual salary of £8,120. The other eight part-time members are paid £1,555 a year each. The board has operated for 10 years.

Mr. Wood said last night: "Regrettably this decision will be seen by many as the end of metrication. This is not so. We live in a metric world and two-thirds of UK business is now metric. The choice is between a practical programme supported by the Government or piecemeal metrication."

Mrs. Oppenheim said since metrication had been extensively adopted by manufacturing industry as well as retailing — with most pre-packed goods now sold in metric sizes — there was little scope for the board's activities.

Once the final statutory orders made by the Labour

Government covering tea and salt come into effect in the next few months, "there will be few, if any, cases where public information is necessary since the Government has no plans for more compulsory metrication orders."

Mrs. Oppenheim said retailers of fresh foods and goods which are measured out should adopt a voluntary "rime-table" for switching to metric. "It is legally permissible for them to change if and when it suits them and they can best calculate the costs and benefits involved."

The Government's decision was sharply criticised last night by the Consumers' Association, which described the move as "condemning consumers to everlasting confusion." The loss of the Board's promotional activities would mean frustration for shoppers and traders alike.

Chapman may lead Sasse 'rescue'

BY JOHN MOORE

A FORMER partner in the London office of Price Waterhouse, the international accountants, has been approached to chair the new Lloyd's underwriting agency company which has been formed to manage the affairs of the troubled Sasse syndicate.

Earlier this month, Lloyd's permitted the proposed formation of an Additional Under-

writing Agencies (2) Ltd and other interested parties, "and a decision is expected shortly."

New management had to be found for the Sasse syndicate facing £20.2m of losses, when Merrett Dixon, the underwriting agent brought in by Lloyd's to manage the affairs of Sasse resigned after legal action started between Sasse syndicate members and Lloyd's.

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SALEROOM
BY ANTONY THORNCROFT

lots carry a 10.8 per cent additions, buyers premium and value added tax.

There were three other artists' records at the sale. The most extraordinary was the £10,000 paid by the Fine Arts Society for a portrait of Mortimer Menpes, by Theodore Roussel. The previous best for a Roussel was £200, and Sotheby's expected the work to go for £1,000 or less.

Another record was the £4,300 from Spin for an illustration for the Seven Pillars of Wisdom, by Eric Kennington. A John Piper watercolour sold for a record £2,800.

Sotheby's Belgravia held its first auction of sculpture and realised a total of £155,888. It was successful enough, with a bought-in percentage of 18. The highest prices were the £8,500 from Francis for a pair of "Egyptian" bronzes by Emile Picaut, and the £5,000 from Coats for a large bronze figure of a labourer by Aime Dalou.

The Sothebys series of sales continued at Zurich. Among the gold boxes £51,136 was paid for a gold and hardstone snuffbox by Johann Neuber, of around 1780, and £15,815 for a Jean Delobel enamel box by a gold and enamel box by Jean Delobel.

Among the clocks Mannheim paid £48,155 for a keyless tourbillon by Victor Kullberg.

An antique diamond necklace of 30 graduated collets made £86,000 at Christie's sale of jewels yesterday. It was the top price in a sale which totalled £81,510, with less than 1 per cent unsold.

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Waterways Board reports rise of 8% in freight

BY LISA WOOD

BRITAIN'S canals carried 8 per cent more freight tonnage last year than in 1977, according to the British Waterways Board's annual report published yesterday.

Tonnage in 1978 was 7,318,013 tonnes, an increase of 543,216 tonnes on the previous year.

Freight toll income on the waterways was the highest since 1968, said the report. Traffic moved on the waterways increased almost 10 per cent.

The Board said there was no doubt that "suitable investments" the movement of freight on its commercial waterways could be competitive, and of increasing importance.

The improvement of the South Yorkshire Canal, which was authorised last year, provided the opportunity for increasing traffic on the waterways. It will enable 700-tonne barges to travel from the Humber to Mexborough.

The Board said the increase in trade to previous high levels was "most encouraging and the steady recovery of recent years is expected to continue."

The number of pleasure boats and the revenue from leisure

Payments deficit reduced

The UK has been in large deficit on the current account of the balance of payments over the last few months. However, a deficit of £650m (or £162m a month) for the four months to October was a substantial reduction from the total of £1.85bn in the first half of the year (£309m a month). This had been adversely affected by the road haulage dispute.

The terms of trade — the ratio of export to

Payments deficit reduced

import prices — have declined in recent months. But the average level in the July to October period was about the same as in the first half of the year with both export and import prices rising by roughly 4.3 per cent.

Fuel prices have shown the largest rises though the strength of sterling is reflected in a 1 per cent drop in import prices for finished manufactured goods in the last four months compared with the first half of the year.

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BALANCE OF TRADE

	Exports		Imports		Terms of trade		OH balance
	£m	seasonally adjusted	£m	seasonally adjusted	1975=100	1975=100	
1977	32,148	33,892	118.3	107.2	100.9	-2,791	
1978	35,432	36,607	122.9	112.6	105.9	-2,915	
1978 1st	8,408	9,004	112.6	113.5	105.7	-620	
2nd	8,753	8,926	119.2	109.7	104.9	-414	
3rd	9,051	9,418	124.8	114.9	106.1	-501	
4th	9,228	9,259	124.8	112.3	106.9	-480	
1979 1st	8,332	9,911	109.7	117.1	107.6	-234	
2nd	10,547	11,261	135.0	136.9	107.5	-227	
3rd	10,746	11,057	132.4	128.3	108.0	-166	
1979 Jan.	2,790	2,924	112.0	106.9	107.6	-613	
Feb.	2,549	3,234	100.2	116.8	108.1	-717	
Mar.	3,003	3,663	116.8	127.5	107.0	-94	
April	3,619	3,778	140.7	131.6	108.6	-123	
May	3,490	3,800	134.1	131.8	107.5	-54	
June	3,438	3,623	133.3	129.2	108.2	-58	
July	3,578	3,624	132.4	129.2	108.2	-58	
Aug.	3,561	3,708	131.1	130.0	108.2	-130	
Sept.	3,607	3,725	132.8	128.0	108.9	-8	
Oct.	3,577	3,916	129.7	133.0	106.1	-85	

* Ratio of export prices to import prices.
Source: Department of Trade

UK NEWS

First step towards 'core curriculum' for schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE FIRST step towards establishing a "core curriculum" of subjects to be taught in all schools was taken by the Government yesterday.

The Department of Education and Science published the results of a survey ordered by Labour Ministers in 1977, of local education authorities' policies and practices for the curricula of schools under their supervision.

In spite of strong opposition to the survey by the National Union of Teachers, all but one of the 106 education authorities took part. The only exception was Kingston-upon-Thames.

The Government's next step will be to publish, in the new year, further reports by the Schools Inspectorate and the Education Department, setting out initial proposals for a "national framework" of basic studies. These are likely to include English, mathematics, science, a modern language and some form of moral education.

Discussions will follow with interested parties, including the Confederation of British Industry and the Trades Union Congress, to procure an early, general agreement on which subjects should be studied by all pupils, the ground to be covered, and the time to be devoted to the core.

The survey report shows that, although Education Ministers are publicly determined to achieve the agreement soon, the establishment of a national framework will be difficult.

Only one in five of the local authorities systematically collected information on what was taught in their schools. Even then, the annual check was often "sought principally, or solely, in connection with the upper years of the secondary school."

Two-thirds of the authorities said they would not wish to have detailed control over the curricula of the schools for which

they were statutorily responsible. Few produced policy statements on subjects to be covered. One in six said that such statements might place too much restriction on the professional judgment of individual schools' heads and teachers.

Most authorities saw the different curricula as developing "from a complex inter-action between the various parties, none of whom plays a markedly dominant part in determining policy."

While Lady Young, the Minister of State for Education who introduced the document, was careful to avoid criticising local authorities, the report says that many of them need "to increase their working knowledge of what goes on in their schools."

Consent

Lady Young emphasised the Government's intention to set up the national framework by consent. There were no plans to rewrite the Education Act to increase central control over the local authorities. She would not, however, rule out legislation if consent proved unattainable.

● On the teaching of English, the survey found "a continuing need to extend good practice, and to give more help towards literacy to meet the requirements of the adult world."

● On mathematics "more than half the authorities said that they provided, or were about to provide, guidelines or policy documents of various kinds" for teachers.

More than two-thirds said maths teaching would be considered jointly with representatives from industry and commerce.

● On modern languages, the survey presents an especially confused tangle of arrangements. For example, half the

authorities supported the teaching of French in primary schools, but a third discouraged it.

The report calls for greater co-ordination of language teaching to promote national coherence, and also to protect languages such as German and Spanish against further concentration of studies on the already dominant French.

● On science, fewer than half the authorities encouraged the provision of some form of studies for most pupils up to the age of 16. The report calls for better guidance to the schools on such studies, including information on the relationship between school science and industrial processes.

The survey shows that in science, maths and modern languages, a major obstacle to an effective core curriculum is a lack of capable teachers.

Lady Young said that improved supplies of appropriate staff were essential. Some training schemes were in progress.

● On links between schools and industry, the survey indicates a poor response to the schemes for co-operation which arose from the "Great Debate," which the Labour Government began in 1976. Fewer than one-third of the authorities encouraged schools to take part in "introducing industry" projects developed by the CBI and other bodies.

Two-thirds encouraged schools to start careers teaching when pupils were aged 13-plus, and one-third expected such teaching to be continued into the sixth-form. But fewer than one in six advised that careers work should be specified in the timetable.

● On religious education—the only subject which schools are legally required to provide—the survey shows that "few authorities have systematic pro-

cedures for collecting information."

Lady Young said that the findings did not necessarily imply that authorities failed to keep watch over religious education. It was just that many of them did not have systematic procedures for doing so.

Local Authority Arrangements for the School Curriculum. SO, £4.25.



Terry Kirk
Lady Young's aide

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Local Authority Arrangements for the School Curriculum. SO, £4.25.

Cancer project needs funding

THE MEDICAL RESEARCH Council, speaking yesterday for extra funds so that a promising new type of cancer therapy can be tested. In its annual report, it warns that research projects will have to be cut because of Government economies.

It needs extra funds to buy and assess the latest cyclotron machines. These produce high energy neutron beams of possible value in the treatment of deep seated tumours.

Less powerful machines at Hammersmith Hospital, West London, and the Western General Hospital, Edinburgh, have been used to treat superficial tumours successfully.

Biffen confirms plan to check expansion of money supply

BY DAVID MARSH

MR. JOHN BIFFEN, Chief Secretary to the Treasury, yesterday confirmed the Government's determination to control the growth of money supply over a sustained period.

He told the Financial Times Conference on "Change in the Economy," the monetary stance was central to the philosophy of the Prime Minister and her Treasury colleagues. The Government had the will and the determination to keep control over money supply growth both by structuring its tax and spending policies to limit public sector borrowing, and by controlling interest rates.

The Government would do this not just for a year or two in the aftermath of a financial crisis but for a sustained period.

Mr. Biffen said the Chancellor had made this clear with his Budget commitment to progressively reduce money supply growth. The Government would not hesitate to take whatever action was necessary to achieve this.

But when answering questions from the audience Mr. Biffen refused to comment on suggestions that a rise in Minimum Lending Rate was imminent.

The Government was committed to shifting the burden of meeting monetary targets from the private sector—whether through taxation or high interest rates—to the public sector.

This was one reason for the Government's determination to cut the public spending plans of its predecessors. These changes in the expenditure programmes would, however, take time to have an effect.

He repeated the Government's intention of improving the tax system and ridding it of unfairness. A start was made in the last Budget with its emphasis on taxing spending rather than earnings.

The Government aimed to strengthen competition between companies which would be encouraged by the new competition levels. Opportunities for further reducing public sector monopoly and curbing its adverse consequences were being investigated.

Prof. Terry Bruns, director of the Centre for Economic Forecasting at the London Business School, said monetary control was vital to efforts to curb inflation. Continuous deficit financing for about five years was "the road to inflation."

Prof. Bruns, who was recently named as the Government's next Chief Economic Adviser, said monetary deceleration in the UK and other countries would not be painless and would cause a drop in output.



Mr John Biffen, Chief Secretary to the Treasury

The length of the deflationary period would depend partly on the time taken to reduce inflationary expectations. This was a particular problem and considering the continuing rise in world inflation since 1960 but lowering inflation would eventually be of benefit to the underlying growth rate of the economy.

Relative changes in the rate of money supply growth between major countries were a key determinant of inflation rates and relative exchange rates. Price rises in international commodity markets and random movements in exchange rates also had an effect on domestic inflation rates.

But it had been shown in the case of the UK that incomes policy had only a short-term influence on reducing the rate of price rises.

Mr. Roy Hattersley, former Secretary of State for Prices and Consumer Protection, said the Government should use money supply and borrowing policies to further control inflation rather than to deepen it.

Increasing industrial activity should be the prime economic aim of Government policy. He called for a return to "genuine Keynesianism"—the belief that Government policy can stimulate industrial activity.

A policy of selective intervention in industry had never really been tried in Britain. West Germany, with as large a public sector deficit as Britain's, last year chose to inject an extra 1 per cent of gross domestic product into the economy, and had thus increased its economic growth rate.

The present British Govern-

FINANCIAL TIMES

CHANGE IN THE ECONOMY CONFERENCE

ment confused control of the economy with assertions of political belief. The free market was declared right in itself. But free market economists were wrong in their belief that a market economy produced perfect competition.

Mr. Hattersley called for Government intervention in wage bargaining. The Government should indicate simply what was an acceptable increase in money wages for any one year. "We saw the alternative to incomes policy last winter. I pray that we will not see it again this year."

Prof. Norbert Walter, of the Kiel Institute of World Economics, said a "club" of industrialised and developing nations should set up some kind of free investment area to improve private capital flows within that club.

Mature economies should open their private capital markets in developing countries, which should guarantee the property rights for the funds invested in their region by the foreign investor. This would be an important part of maintaining an open international economy.

Lord Balogh, fellow of Balliol College, Oxford said he was not optimistic that the Government would be able to force trade unions to tone down wage demands in coming months. As long as there was a government that was afraid of unions there would be two possibilities, either a trade union agreement not to use their monopoly power to the brutal end, or else a fight between the two sides of industry.

"If there is a fight this will be because an incomes policy has not been put into effect. There was no debate between the two sides of industry."

Monetarists back Fed's tough policy for success

MR. ROBIN PRINGLE, executive director of the New York-based group of 30, told the conference that Mr. Paul Volcker, chairman of the U.S. Federal Reserve Board, had about six months to bring down U.S. rates of monetary expansion before there would be significant political interference.

The greatest success so far for the monetarist school was the Federal Reserve's adoption of the reserve base rather than an interest rate target as the fulcrum of its monetary policy in its credit package last month.

Monetarists had constantly pressed for the adoption of monetary targets and for the use of the monetary base, and Keynesians had not.

Mr. Volcker had received almost unanimous support from Congressional leaders, as well as the President, for his new tough policy. The reaction showed that public opinion had become increasingly impatient with continuously high inflation.

The Fed's strong monetarist policy would have worldwide effects. The excess supply of dollars would be reduced, international money markets would become tighter and the excessive growth of interna-

tional bank lending would be reined in.

Economic activity officially would fall and unemployment would rise further almost everywhere. But that was the unavoidable price of delaying monetarist policies for far too long.

Mr. Pringle called on the Bank of England to adopt the Fed's "new" approach for controlling money supply. The effective monetary growth rate in Britain had apparently been 15 to 17 per cent since the spring, and the monetarist rhetoric of Mr. Healey and Sir Geoffrey Howe seemed to have counted for nothing.

It was now generally acknowledged that continued growth of the Euro-market created increasing problems for monetary control in the leading countries, and added extra impetus to worldwide inflation.

It was likely that central bankers would soon be announcing "controls on the Euro-market." But any agreement would merely express generalised concern at the expansion of the market, with each central bank being left free to determine how to exercise any agreed restraint on international lending.

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WHITELAW FACES STORM OVER NEW RESTRICTIONS ON IMMIGRANTS Proposals 'are racist and sexist'

ACCUSATIONS that the more restrictive immigration rules proposed by the Government will be racist and sexist in their effect were met head on by Mr. William Whitelaw, the Home Secretary, in the Commons yesterday.

Mr. Mervyn Rees, Labour's shadow Home Secretary, traced the development of the new rules from a speech on immigration made by Mrs. Thatcher in the run-up to the general election when she used the word "swamped".

Statistics already published, he said, showed that Britain was not being "swamped" and that primary immigration was over and had been over for some time.

Tougher business rules for immigrants

STRICTER conditions on people wishing to enter the country to set up in business would be imposed by the Government's new rules on immigration, published as a White Paper yesterday.

Successful applicants would be admitted in the first instance for 12 months and, subject to continued fulfilment of the conditions, would be eligible for yearly extensions of stay.

Those under 65, except widows, would qualify for entry only on "most exceptional" compassionate grounds.

Walker predicts France will drop ban on lamb

A FORECAST that the French ban on the importation of British lamb is likely to be lifted very shortly was made in the Commons last night by Mr. Peter Walker, Minister of Agriculture.

Mr. Charles Fletcher-Cooke (C. Darwen) was doubtful of continuing the negotiations while France persisted in defying the rule of law.



Demonstrators wearing Indonesian "evil" masks protested outside No. 10 yesterday when Mrs. Thatcher met President Suharto. Labour MPs handed in a letter protesting at the visit.

Non-domestic rates may be changed

RATES paid by shops and factories could soon be changed, Mr. Tom King, Environment Minister, indicated yesterday.

Move to cut police power

A BILL to reduce the power of chief constables and give the public a bigger say in the running of local police forces was introduced in the Commons yesterday.

GP's urged to talk more to patients

DOCTORS should spend more time talking to patients instead of pushing pills to clear their bulging surgeries, Lord Winstanley said in the Lords yesterday.

Whitehall unions in legal bid for details of cuts

THE GOVERNMENT is facing a legal attempt by Civil Service trade unions to force the disclosure of information about plans to reduce manpower costs.

More civil servants suspended

SEVEN MORE Civil Servants were suspended yesterday for refusing to handle work done by staff brought in to do work left undone because of an overtime ban imposed in protest at the planned cuts in Civil Service manpower costs.

Welsh miners protest against coal imports

SOUTH WALES miners' leaders are prepared to call for a national coalfield strike if the British Steel Corporation press ahead with plans to step up controversial coking coal imports.

Asians lose claim of racial ban by union and company

COMPLAINTS by 17 Asian workers that their union and employers discriminated against them because of their race or colour were rejected by the Employment Appeal Tribunal in London yesterday.

Cartier LTD. OFFERS HIGHEST PRICES FOR JEWELLERY. Antiques and modern. Also antique silver. Immediate payment. Complete privacy ensured.

Mr. King said the Government was now considering a "partial revaluation" covering "non-domestic" rates—those paid by businesses. "We may introduce legislation shortly."

Mr. King re-affirmed the Government's long-term aim to abolish rates paid by householders but refused to be drawn by Mr. Stephen Ross (L. Isle of Wight), who urged him to include industrial and commercial rates in the abolition.

Mr. Justice Slynn said the industrial tribunal felt that, largely because of lack of communication, the Asians had been left with the feeling that they were second-class members of the union. There had been some improvement when they were given their own shop-floor representative.



When you pay over £10,000 for a motor car, there are one or two things you should be able to take for granted.

The first is a measure of exclusivity.

The second is a level of equipment appropriate to the car's price and the owner's status.

On both counts, you'll find the new Vauxhall

Royale saloon a refreshing and original departure.

It costs £9711 and there isn't a cheaper version even if you wanted one.

Only two options are available: manual transmission at no additional cost (automatic is standard) and air conditioning for a further £794.

Everything else you could possibly wish for is standard equipment.

The engine is a 2.8 litre, six cylinder unit that carries the Royale to a top speed of 115 mph (Manufacturer's figures), with no sense of strain or urgency.

Inside, the car is virtually a Puritan's nightmare.

The driver's seat, covered like all the seats in crushed velour, adjusts for height, as well as for reach and rake, to give you the perfect driving position.

The steering wheel is tiltable and the steering is, of course, powered.

There is central locking for the doors, a steel

sunroof, radio/stereo cassette player with three loudspeakers and electrically operated tinted windows.

While a brilliantly engineered suspension and superbly aerodynamic body shape make the Royale uncannily quiet at any speed.

Outside, you'll find double skinned metallic paint, alloy wheels and a headlamp wash/wipe system. And styling that is a welcome relief from some of today's commonplace Pan-European designs.

Ask your nearest Vauxhall dealer to arrange a demonstration in the Royale.

We have every reason to think you'll be impressed.

Saloon £9711, Coupé £10,508. Prices correct at time of going to Press, includes Car Tax & VAC Delivery and Member Plate extra.

It has everything you could unreasonably demand.

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JOBS COLUMN, APPOINTMENTS

Help for self-helpers' helper • Oil brace

BY MICHAEL DIXON

"TRIUMPH OVER adversity" seems an apt motto for Pauline Hyde's Forty-Plus centre which helps jobless older managers to help themselves back into work. Unemployment tends to be a protracted agony for managerial people of any age. Their average time without a job was quoted at the recent Institute of Personnel Management conference as nine months—more than twice as long as the average for would-be workers of all kinds. Among managers and specialists aged over 40, however, the mean period has apparently now lengthened to 16 months. This compares with only 4.2 months for the 18 people who used Mrs. Hyde's centre during their first year of operation, and their average age was 51. So Forty-Plus seems to have established its economic and social usefulness. In order to assist its clients to triumph over their adversity, the centre has to face a good deal of its own. For one thing, officialdom helpeth not those who help themselves. Regular readers may remember my describing last year how Pauline Hyde had tried to gain for her non-profit organisation the tax advantages which go with status as a charity. She was told it was a pity that she wasn't seeking, instead, to employ sociologists to study the problems of jobless managers.

In that case, charitable status would have been as good as assured. But it was not forthcoming for an organisation actually helping such managers to solve those problems. Lately Mrs. Hyde has discovered another way in which the status might be acquired. It would be to turn Forty-Plus into an agency for finding retired people—who, unlike the present clients, do not need jobs—to work on an expenses-only basis for organisations which already have charitable status. It seems that, officially, charity not only begins at home, but stays there. Fortunately, support from numerous private enterprise concerns enabled Forty-Plus to disregard the purblind pettifoggery, and make the aforesaid promising start. But now the centre faces adversity again. The offices which it has been loaned by ICI in London's High Holborn are due to come down, and Forty-Plus will have to move out by March. So Pauline Hyde has come to the Jobs Column hoping that readers may know of, or even have, about 2,000 square feet of office space available on "grace and favour" terms, where the centre could carry on the good work for a while longer. Would anyone who can help please get in touch with her at Templar

House, 81-87 High Holborn, London WC1V 6LS, or by telephone at 01-242 4875.

High octane

NOW for a brace of jobs in the oil field being offered by headhunter Barry Latchford, of Lloyd Chapman, on behalf of two clients whom he may not name. He therefore promises to honour any applicant's request not to be identified to either of the employers until specific permission has been given. The first post is for a definitely high-octane executive who, although based in London, will spend the next five years or so racing about pouring managerial solutions on troubled waters wherever in the world they arise. In this way, the newcomer is expected to prove worthy to succeed the United States parent company's present managing director for Europe. "They want somebody to whom they can say: 'Go and negotiate us a refinery in Hong Kong. Here's what we're prepared to spend. Goodbye,'" said Mr. Latchford. "And any time when there's no particular trouble around in need of shooting, the parent group will no doubt think of some other way of providing good experience: a stint as temporary chief of an

overseas subsidiary, for example. It will not be an arm-chair existence." Marketing skill will be a prime need, and candidates must already be successful senior managers, preferably now with a major trading operation in oil either in the United Kingdom or elsewhere. The 10 years or so of concentrated experience in the industry which has carried them into their company's managerial top half-floors should also have included corporate planning, finance and related matters such as pricing, and management of people and things in several countries. "Since we must have someone who has done top-level international negotiating," said the headhunter, "competence in major foreign languages goes without saying." (This form of words puzzles a little, like the memo once written by a senior civil servant on returning to work from illness: "Now that I am back in harness," he wrote, "I shall lose no time in taking up the reins again.") The employer would apparently prefer candidates also to be looking back from the age of 35 or so, with an Oxbridge education. I think this preference snobbish. Pay-plus-perks are flexible, but the starting salary indicator is £20,000 to £25,000. Inquiries

to Barry Latchford at Lloyd Chapman Associates, 123 New Bond Street, London W1Y 0HR; telephone 01-499 7761 or 01-408 1670; telex 298942. He would like to hear, too, from readers thoroughly immersed in all finance and interested in joining a big international consultancy as a financial management consultant. The first assignment will be as a "locum" adviser at the level of financial director with an oil company somewhere in the Middle East other than Saudi Arabia or Iran. After some three years in that region, the newcomer will probably transfer to a senior executive post with the management consultancy elsewhere, perhaps in the United Kingdom. The need, which is urgent, is for someone who has followed finance, and possibly a master's degree in business administration, with financial management in a large concern in the oil or a closely related industry such as gas or chemicals. Experience should have covered general and cost accounting, budgetary control, treasury work, financial planning, management reporting, the design of financial systems and acquaintance with computer systems, and internal auditing. Practised skill at high-rank negotiating is also wanted, as is

first-hand knowledge of working in the Middle East or comparable African countries. So I was not surprised by Mr. Latchford's remark that likely candidates, if they are currently working in the UK, will probably already be earning at least £20,000. The new job would raise this up to \$100,000, plus the usual Middle East perks such as house, car, tax concessions, and so on. The age indication is 35 to 45.

Plain talkers

RON WEEEDON of the Keen Computers software company wants three sales virtuosi with appropriate technical understanding to head the marketing of business systems based on micro-computers. Two jobs are based in south London, the other in Nottingham. Part-timers would be considered. "Essentially we need the ability to talk to business men in plain English about their problems and our solutions," says Mr. Weedon. "Earnings should not be below £10,000 plus equity stake and profit share, car or allowance." He works from Woldingham in Surrey, but would like to be contacted by telephone at 088 385 3176. His colleague in Nottingham, Tim Keen, can be called at 0602 583254.

FINANCIAL CONTROLLER

Croydon c. £9,000 plus car

Our client, Mazzucchelli Ltd., is a small rapidly growing U.K. marketing subsidiary of a substantial Italian Group manufacturing a range of plastic and plastic based products including optical materials, sunglasses, brushes and combs, and PVC materials for credit cards and other purposes.

They wish to recruit a qualified accountant, preferably with some commercial experience, to control their finance function and to provide a support service to the product group marketing executives with particular regard to general administration and distribution.

The ideal candidate will be aged mid-twenties to mid-thirties, enthusiastic to work with a small management team in a successful and rapidly growing marketing orientated company. Adaptability, versatility and a sense of humour are vital ingredients. The rewards include a salary negotiable around £9,000 per annum plus car and non-contributory pension scheme.

Applicants, male or female, should write in complete confidence giving full details of previous experience and current salary to J. W. Hills, Arman Impey Morris, Management Consultants, 40/43 Chancery Lane, London WC2A 1JJ, quoting S1604.

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A minimum of 3 years' Deposit Dealing experience is required, and the appointee will run his/her own book.

Excellent prospects to progress in active dealing environment, and long-term career development can be confidently anticipated. An attractive range of benefits is offered.

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We have been retained to recruit a Treasurer for a leading international group of construction companies, which is a major part of one of the largest British multi-national conglomerates.

The key responsibilities are:

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Please write in confidence to Jack Pine M.A.

Ref: 6603

David Clark Associates
4 New Bridge Street London E.C.4
Telephone: 01 353 1867

National Maritime Museum

Secretary

£9175-£12075

The National Maritime Museum, Greenwich, is a great historical and technological museum of seafaring, shipbuilding and nautical astronomy and archaeology. Among its many exhibits, it houses the world's largest collection of ships' draughts, an important collection of ship models, a large library and extensive works of art. The Old Royal Observatory, with its Planetarium, forms part of the Museum.

Heading a staff of some 250 people, the Secretary is responsible for the overall supervision and day-to-day management of administrative, personnel and financial matters, including security, sales to the public, and the organisation of special events and functions. The successful candidate will act as Secretary to the Board of Trustees and also as Secretary of the Caird Fund with responsibility for administering the Museum's Trust Funds.

Candidates, men and women aged at least 28, must have experience in the management and financial control of a self-administering department of an establishment and a good knowledge of administrative procedures, preferably those used in the Civil Service. Ability to write clearly and concisely and to take an active part in the formation of Museum policy is essential. Experience of dealing with government officials at all levels, and an interest in maritime history, advantageous.

Starting salary within the quoted range according to qualifications and experience. Non-contributory pension scheme. For further details and an application form (to be returned by 7 December 1979) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: A/5254/

Cash Management Administrator

Slough c.£9,500

We are the Eastern Hemisphere Headquarters of a rapidly expanding U.S. Corporation providing a wide range of services and products to the oil industry.

A corporate Treasury function is now being developed reflecting the company's growth and planned further development of its control and forecasting procedures. Reporting to the Treasurer, the successful candidate will control the cash management function through projections, currency exposure analysis and short-term money market dealings. Viewed as an essential part of the company's management functions, the appointment will encompass receivables administration and involve contact with all management disciplines.

Candidates will be qualified accountants or bankers in their mid/late 20's who have had previous experience of a multi-currency treasury environment.

Prospects for advancement within the group are excellent.

Please apply with full curriculum vitae to:
Mrs. A. Payne
Geosource U.K. Limited,
Geosource House, 3-5 The Grove, Slough, SL1 1QG.
Telephone 34696

Financial Manager

Hampshire/Surrey c. £9,500 + car

Our client is a major charge card company, enjoying extremely rapid and profitable growth. Expansion and promotion have created the need for a key appointment at senior level.

Reporting to the Finance Director, the appointee will control a staff of over 40, and will be responsible for the day to day management of the financial accounting function.

Candidates, probably in their late twenties, will be qualified accountants with a good EDP background, and ideally with some knowledge of foreign exchange. Importantly, they will also have the personality to motivate staff, and to take an active management role, which will allow them to capitalise on the promotional prospects.

The location is an attractive one, and a good benefit package is available.

Write, quoting reference 1210/L, to J. H. Cobb, Executive Selection Division,

165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.
Pear, Marwick, Mitchell & Co.

INTERNAL AUDITOR

London £7,500 c.

Applications are invited from qualified or experienced part-qualified Accountants for the position of Internal Auditor in a Service Industry Company based at the London office of the Group Accounts Department.

Responsible to the Finance Manager the successful applicant will be required to develop the Internal Audit function of a multi-branch operation, and to assist in the improvement of systems. Previous auditing experience and the ability to communicate with all levels of staff are essential.

Initial salary negotiable around £7,500 p.a., plus non-contributory pension scheme.

Applications, giving details of qualifications and experience, should be sent to:

Finance Manager, Box A.6968, Financial Times
10 Cannon Street, EC4P 4BY.

FINANCIAL DIRECTOR DESIGNATE

South Coast c. £16,000+ Bonus

Our Client manufactures a wide range of chemicals and is a leader in its own field. Exports account for over 40% of turnover and the company is part of an international group. It has a history of growth and acquisition and this policy still applies.

The successful candidate will take over from the present Financial Director on his retirement. Candidates must be chartered accountants, preferably in the age range 38-50, and education to degree standard will be an asset. Experience must include financial management in manufacturing industry, the treasury function, and involvement in the development of computer systems or responsibility for a computer department. A knowledge of tax planning is desirable.

Initial salary will be about £16,000 with an annual bonus related to company results. Other benefits include a car and contributory pension scheme. Assistance with removal expenses will be given. Applications giving brief personal details and a career summary should quote ref. FT/199/F and be sent in confidence to D.W.E. Apps.

Ernst & Whinney Management Consultants
11 Doughty Street, London, WC1N 2PL

Corporate Planning Analyst

East Midlands

A challenging career opportunity to work with the Corporate Planning Manager and the Chairman of an expanding public group of companies on strategic planning, investment appraisal, diversification studies and performance analysis.

Essential qualifications are:

- Degree or professional qualification, followed by some formal management education (e.g. MBA)
- At least five years line management experience with exposure to company planning and budgeting.
- Maturity and integrity to command respect of senior executives, and the ability to work with managers at all levels.
- Early 30's, already earning not less than £7,500 p.a. and a high degree of self-motivation.

Salary and benefits, including a company car, are negotiable and relocation expenses will be paid as appropriate. Opportunities exist to move into general management after approximately three years.

PERSONNEL ADVERTISING LIMITED
Applications, in strictest confidence, stating how the above requirements are met, should be addressed to David Macmillan, Personnel Advertising Limited, 22 Red Lion Street, London WC1R 4PX. Please specify any constraints to which your letter should not be sent and quote ref: GFS 578.

Audit Manager Europe

The company, a major service organisation, are well known to the public and operate internationally. They now need a qualified accountant with highly developed management and communicative skills, to become manager of their centralised Audit Department.

The man or woman appointed will join a professional team covering overseas countries and will be responsible to top finance management. He or she will ensure that company policies and procedures are applied by local management and coordinate all the activities of external auditors.

The ideal person is likely to be aged 30-48 and will certainly have

the experience to plan and control an operational audit with wide cover and recommend improvement wherever necessary. Willingness to travel is essential since the post involves spending considerable time in Europe and also paying visits to the United States.

A very competitive salary is offered and the company's benefits package will also be attractive to a high calibre applicant. Please write with full career details to Position Number ASA 7541, Austin Knight Limited, London W1A 1DS. Applications are forwarded to the client wherever the above conditions in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

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INVESTMENT ANALYST

HONG KONG SECTOR aged 25-32

Our client, a major firm of Stockbrokers, will shortly appoint an analyst to cover the Hong Kong and South East Asian markets. His/her responsibilities will include:

- ★ Analysis of companies within this area. Making use, where necessary, of detailed material available from these markets.
- ★ Visiting companies connected with his/her research work.

The ideal candidate should have had at least three years' experience as an investment analyst, ideally covering the relevant area. He/she should be articulate and enthusiastic, with the ability to produce research material to the high standard expected by our client. He/she will also need to have the poise and confidence to talk to clients. The position offers a first-class opportunity with a firm that has a leading name within the investment world.

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The need is for a qualified engineer with a progressive commercial record in process design/construction, contract engineering or technical innovation. Consultancy experience could be appropriate.

Salary negotiable well into five figures plus car, relocation assistance and other benefits. Location East Kilbride, Scotland.

Please write briefly - in confidence - to W. J. Angus ref. B.64274.

This appointment is open to men and women.

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Managing Director

Hong Kong c. US\$50,000 + housing and car

Our client, a highly profitable, small, family owned private company with a multimillion dollar turnover, was established over 20 years ago. It supplies quality knitwear to major European retail chains from manufacturing functions in the UK, and from Far Eastern resources.

It is now seeking a Managing Director to assume full responsibility for the Far East operation. Based in Hong Kong and reporting directly to the London-based Chairman, the prime task is to co-ordinate and control the production, distribution and finance activities to meet tight time, cost and quality constraints.

The person appointed will have first-class senior management experience, unusual confidence, and possess a first-hand knowledge of Far East markets (gained preferably, but not essentially, in the clothing industry), and have the ability to lead and motivate a small supporting team.

In order to attract the highest calibre candidates a first-class remuneration package includes the negotiable salary, relocation expenses, housing allowance, car and profit share after a qualifying period.

Ref: F2410/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
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International Military Services Limited wish to appoint a Divisional Director - Finance. The company is British Government sponsored and is engaged in supply of defence equipment, technical support and major engineering projects for overseas governments.

The Divisional Director - Finance will be located at the company's London headquarters and will report to the Director of Finance and Planning with responsibility for all financial and accounting matters, and with special emphasis on developing the company's accounting systems, preparing periodic accounts and ensuring that realistic budgets and profit plans are set.

The successful candidate will be a qualified accountant, 35-45 years of age, with at least 10 years post qualifying experience, including the supervision of accounting staff and the use of BDP. Leadership qualities, self motivation, analytical ability and communication skills are essential personal attributes.

The commencing salary will be at circa £15,000 p.a. and the company would contribute to the cost of removal expenses if the successful candidate had to move home to take up the appointment. Fringe benefits include BUPA cover and a non-contributory pension scheme.

Candidates, male or female, can make application by quoting reference MCS/2078 and requesting a personal history form from Ashley S. Phoenix, Executive Selection Division, Southwark Towers, 33 London Bridge Street, London SE1 9SY.

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The person appointed will be a member of a small, energetic team working to improve and develop cost effective systems employing modern data processing techniques. There is ample scope for initiative and originality and the Group can provide broad career advancement opportunities.

Applicants should be qualified accountants, preferably graduates, aged around 30.

Please write with c.v. or brief details to B. H. Mason at Joho Courts and Partners Ltd, Selection Consultants, 78 Wigmore Street, London, W1, quoting reference 689/FT.

JC&P...

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Salary will be negotiable. Comprehensive benefits and re-location assistance.

Please write or telephone for an application form quoting ref. B.251 to:

The Personnel Manager,
National Research Development Corporation,
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London SW1E 6SL.
Tel: 01-828 3400.

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WPL

ACCOUNTANT

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The vacant post of Accountant provides an opportunity to apply professional skills in the management of an organisation whose purposes are charitable.

Although experience with a similar body would be valuable, the essential requirements are (a) proven competence in running a small (preferably computerised) unit; (b) the capacity to deal with accounts comprehensively (i.e. from book entries to final accounts); (c) appropriate qualification for advising the General Manager and, on occasion, the Committee of Management.

Salary negotiable up to about £8750 with pension provisions. Age between 30 and about 50.

Applications will be handled in confidence. Nothing will be disclosed without leave.

Letters to: M. J. Graham-Jones,
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Our Client is a highly successful and expanding international merchant bank with significant future growth plans.

The bank's current requirement calls for an experienced banker with proven technical expertise in credit and project finance to assume responsibility for the control and development of a broadly-based portfolio of specialist financing transactions.

Ideal candidates, probably late 20's/early 30's, will possess the ability to identify project potential and to promote and structure complex financing deals. An attractive personality and a willingness to travel are regarded as necessary attributes for the successful individual.

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BBC Enterprises Limited is a newly formed subsidiary Company of the British Broadcasting Corporation comprising a number of divisions which operate in the Home and Overseas markets by recording, packaging, selling, hiring out or leasing a carefully selected part of the Programme output and associated products or facilities of both BBC Radio and Television.

As part of the reconstruction of the Finance Department two suitably qualified Accountants, male or female, are required.

Manager Accounting Services

To be responsible for the day-to-day management of the Finance Department, reporting directly to Chief Accountant. Duties will include maintaining all the financial records of the Company and providing a complete Financial and Management Information reporting service, including supervising the Joint Productions Investment Programme and controlling Company cash flows.

Candidates, who should be members of a recognised professional body of Accountants, and preferably aged 30+, must have managerial experience at a similar level in a commercial environment.

Salary on an incremental scale, rising to a maximum of £10,560 p.a. (Ref: 2649/FT)

Assistant Manager Fund Control

To be responsible for managing the Accounts Receivable and Accounts Payable Sections of the Company and providing a Banking, Cash and Foreign Currency service. The holder will report to Manager, Accounting Services and the duties will include developing and exercising appropriate credit control procedures and supervising the cash flows of the Company.

Candidates should have an appropriate professional qualification and relevant experience, including knowledge of Foreign Currency and Exporting procedures.

Salary on an incremental scale, rising to a maximum of £7,610 p.a. (Ref: 2650/FT)

For application form and further information (quote relevant reference number), apply to: Bill Bridges, Chief Accountant, BBC Enterprises Ltd, Villiers House, The Broadway, London W5 2PA. Tel: 01-743 5588 Ext: 557.

Financial Operations Supervisor

London £10,000 +

An International Oil Company located in Victoria requires a Financial Operations Supervisor.

The successful candidate will be responsible for dealing with the opening and operation of Letters of Credit and associated finance. Responsibilities will cover the supervision of all financial aspects related to oil trading. He or she will be responsible to the Financial Controller and will be required to liaise at a senior level with the Company's bankers.

Ideally the applicant should have experience either in commodity banking or documentary credits.

Salary envisaged will be in the region of £10,000 p.a. and other benefits include a non-contributory pension scheme, life insurance, private patients plan and four weeks holiday.

If you consider you have the appropriate experience and you are a person of high calibre, please write with brief c.v. in confidence to:

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A leading international bank seeks an experienced Eurobond Executive to develop and maintain relationships with established and new investment clients.

The successful applicant will probably be aged 28/34 and have proven experience in the Eurobond market in either Sales or Trading, having developed good contacts with institutional clients. Duties will involve calling on institutions, marketing bonds, proposing switching operations and when necessary trading in the secondary market. Salary will depend on the extent of experience and will include a generous relocation allowance. Please contact ROY WEBB

BUSINESS DEVELOPMENT c. £14,000

A well-established international bank in London wishes to recruit an additional Business Development Officer. Candidates, ideally in their late 20s or early 30s, should be experienced in the marketing of credit services to U.K. companies, and should preferably also have knowledge of international trading and commodity finance. The position offers an attractive negotiable salary, a comprehensive range of fringe benefits, and excellent prospects for career growth.

Please contact BRIAN GOOCH

ACCOUNTANT-WEST AFRICA \$30,000+ Bonus + normal Benefits

Our client is a development bank embarking on an important phase of growth. They require an Accounting and Systems Advisor to work with consultants in implementing accounting and administration systems. A qualified accountant with a thorough knowledge of banking operations (through working with a firm of Chartered Accountants or in a bank) is required.

The contract is for 2 years, and carries attractive bonus and offshore payment arrangements.

Please contact KEVIN BYRNE

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Group Chief Accountant

for a successful and expanding public company with interests in construction, mechanical engineering and engineering products. Turnover is around £200m and includes substantial overseas activity. Outer London base.

- RESPONSIBILITY is for financial and management accounting and treasury functions employing a staff of over 30 people at the head office of a decentralised group. Emphasis is on profit planning and the development of computer based financial control systems.
- AN ACCOUNTING QUALIFICATION and a record indicating above average ability are the requirements. Experience in the construction industry would be an advantage but is not essential.
- PREFERRED AGE: 30s. Salary negotiable into 5 figures, with a car and other benefits.

Write in complete confidence
to A. Longland as adviser to the company.

TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON W1N 6DJ
21 AINSLIE PLACE and EDINBURGH EH3 6AJ

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search Organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
- Our expert career advisory service is essential to executives who become vulnerable to the current fast changing market conditions.
- Telephone us for a cost free assessment meeting.

Percy **COUTTS & Co.**
01-839 2271

149 Grand Buildings,
Trafalgar Square,
London WC2.

Group Finance Director designate Sheffield

c £15,000 + car

Our clients are major independent manufacturers located in Sheffield. Sales turnover is around £20 million per annum and they employ some 1500 people, manufacturing in the United Kingdom and marketing on a world wide basis. They seek a wise and experienced qualified financial executive to join them at Group level with a view to early promotion to the Group Board. The successful candidate is likely to be between 35-45 years old and with the maturity, ability and experience to enable him to participate from the outset in the formulation of Group policy, to take control of Group finance and the technical control of financial and management accounting of Group subsidiaries in the UK and overseas. Applications are invited from men and women who should write in confidence to Robert Varvill or telephone for a personal history form quoting reference V/199/72.

The P-E Consulting Group Appointments Division
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948



Financial Director & Company Secretary

Memorex U.K. Ltd., part of a multi-million \$ worldwide corporation, is a leading supplier in the computer and related markets with a strong and continuing record of growth.

The Financial Director, as part of the senior management team, is responsible to the Managing Director for all financial and legal matters for the U.K. company.

Candidates must have worked in a U.S. Corporation and be familiar with U.S. accounting standards. Applicants should have in-depth experience of controlling departments dealing with general accounting, budgeting, leasing, data processing etc.

The position demands the ability to provide expert guidance to the management of the company in financial, commercial and legal matters and manage a large and varied department which works to tight deadlines.

A very competitive benefits package is offered including company car, BUPA, Pension Scheme and negotiable salary.

For further details contact Barry Aiken, or forward a detailed C. V. to Memorex House, 96-104 Church Street, Staines, Middx. Tel: Staines (81) 51488.

MEMOREX

Group Financial Controller

South-West England, Circa £15,000 + car

This is a new appointment within a small but expanding public company whose interests are mainly in the construction and engineering industries. The group has recently been restructured to allow greater autonomy to operating subsidiaries, and the company now requires a chartered accountant, aged 32 to 45, to assume responsibilities for all group financial matters. These will include consolidations, corporate planning, cash management, acquisition exercises, tax planning

R.D. Howgate, Ref: 27131/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HB.

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEES, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

INTERNATIONAL GOLD CORPORATION

MARKETING MANAGER

GOLD

The International Gold Corporation, responsible for the marketing of the products of the South African Gold Mining Industry, is seeking a Marketing Manager for the London based U.K. Coin Division.

We are looking for someone experienced in financial marketing, who also has a sound knowledge of the workings of the major City institutions. In addition we would require the entrepreneurial qualities needed to successfully develop and implement the programme of advertising and promotional activities for an entirely new market in the U.K.

This is a senior post reporting directly to the U.K. Manager, and salary, which will be in five figures, with above average benefits and conditions, will reflect this seniority. We would expect applicants to be in their early 30's and seeking greater challenge and responsibilities.

Please write in confidence with full relevant personal and career details to:

International Gold Corporation,
30 St. George Street, London W1R 9FA



Property

Germany

c. DM 75,000

Active in Germany for several years, this leading British firm of chartered surveyors is developing its practice considerably throughout the country. Major office buildings are managed by the firm on behalf of German and non-resident clients, and instructions are being received to undertake further acquisition and development work. This requirement is for a chartered surveyor in the late 20s - early 30s, who will take responsibility for management of the existing portfolio, with involvement both pre- and post-purchasing, and with development projects. A business-minded individual is sought who will direct the German management team, to provide the highest level of service to multinational clients, and

generate appropriate revenues for the practice. Some experience of working on the Continent, and at least a basic knowledge of German, is expected. Salary negotiable at the level indicated, with relocation expenses, car and other benefits provided.

Ref: PF26/7121/EG

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE, Tel: 01-235 6060 Telex: 27874



A member of PA Intern.

مكتبة النجدي

INVESTMENT ANALYST

Age 25-30 London West End

The Position

The Investment department of a fast growing International Life Assurance Company.

Responsibilities include the monitoring of existing equity holdings, surveys of market sectors and the origination of new investment ideas. The position offers considerable scope for initiative and responsibility.

The Benefits

A competitive salary is combined with a subsidised mortgage scheme.

The Person

He/she should ideally be a graduate with 3-5 years investment experience. Actuarial knowledge would be an advantage.

Please apply in the strictest confidence to Ian Willis
Ian Willis Associates Ltd
110 Jersey Street, London SW1Y 6EB
Telephone 01-839 7577.

IAN WILLIS ASSOCIATES LTD.

ASSISTANT Investment Manager EDINBURGH

An Edinburgh company, managing UK and international investment portfolios, requires an Assistant Investment Manager to join its overseas team. The successful applicant must have some previous experience in investment management. Remuneration is negotiable and there are excellent fringe benefits.

Please reply to:

Box No. EF/36
Hall Advertising Limited
12 Melville Crescent
Edinburgh EH3 7LU

COMMERCIAL LITIGATION SOLICITOR

Expanding firm of commercial solicitors with international practice urgently seeks solicitor for its litigation department. Applicants should be of high academic standard, about 1-4 years' admission and able to deal with substantial, high quality and varied commercial litigation with minimum or no supervision. Congenial conditions, top salary and prospects.

Applicants should send c.v. in confidence to:
Baker & McKenzie (ref. TJH).
Aldwych House, Aldwych, London WC2E 4JP

Financial Executive London c £9,000 + car

One of the top international advertising agencies seeks an Assistant for their Financial Director, to prepare for even further growth during the next five years.

This appointment will suit a recently qualified Chartered or Certified Accountant.

You will carry out a very wide range of financial tasks with a strong bias towards forward planning, management reports and special assignments for the Financial Director.

The unique challenge of this appointment is to maintain the highest professional standards in a calm and confident way, yet relate positively to some of the most successful creative, media and commercial executives in advertising. Prospects depend upon overall performance during your first two years in our very profit conscious environment.

The remuneration package is £9,000 and a car is provided. Please write in confidence to:-

Alan Lenton

Ogilvy Benson & Mather Ltd.

Brettenham House, Lancaster Place, London WC2E 7EZ.

Please include details of your age, qualifications, career history and salary progression to date.

FOREIGN EXCHANGE DEALER

Following the successful growth of this activity, an important new appointment is available in the Treasury Division of Saudi International Bank. Candidates must be self starters with at least three years' dealing experience, and able to work under pressure in time sensitive circumstances. Dealing experience outside the U.K. would be an advantage.

This is an excellent opportunity to participate in and influence the growth of our foreign exchange business and the right person will be paid an attractive salary together with excellent fringe benefits.

Full particulars should be sent in confidence to: Mr. E. H. Angell, Divisional Manager, Treasury Division, Saudi International Bank, 99, Bishopsgate, London EC2M 3TB.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

INVESTMENT MANAGER

An Investment Company based in London with world-wide portfolios totalling £30 million seeks an Investment Manager. Candidates should be aged between 25 and 30 and should be currently employed within the U.K. securities industry. A working knowledge of international capital markets would be useful. The successful candidate will assist initially in the management of sterling funds and will be actively involved in policy making and planning.

Write Box A6969, Financial Times, 10 Cannon Street, EC4P 4BY.

FUND MANAGER

required to join small team dealing mainly with external funds. Knowledge of international equity and bond markets, particularly North America, essential.

Salary in excess of £10,000 (according to experience).
Write with brief details to:
Box A.8978, Financial Times,
10 Cannon Street, EC4P 4BY.

CSL
 Central London to £17,500 + car
DIRECTOR OF FINANCE
 Consultancy Practice

The increasing complexity and challenges of international consultancy have led to the creation of this new position within a leading engineering consultancy.

The Director of Finance, who will have Partner status, will be responsible for the finance and administrative functions and be expected to make a major contribution to the overall management and development of the practice. In addition to advising on the financial and commercial aspects of the business, the person appointed will play a key role in monitoring and controlling the partnerships world-wide operations.

Candidates should be qualified accountants with substantial experience at a senior level, ideally in international consultancy or in a similar business involving project operations. Preferred age from 40.

Resumes including a daytime telephone number to J. G. Cameron, Executive Selection Division, Ref. CF210.

COOPERS & LYBRAND ASSOCIATES LTD.
 Management Consultants
 Shelley House, Noble Street, London, EC2V 7DQ.

Commercial & Interbank Dealers

Due to a vigorous growth in demand for its services **SHORT LOAN & MORTGAGE CO. LTD.** are seeking to engage additional senior dealers to expand their commercial and interbank activities.

An invitation is extended to experienced dealers who are genuinely interested in applying for these well remunerated positions to contact R. F. LAIDLAW (01-558 5113). All enquiries will be treated in the strictest confidence.

SHORT LOAN & MORTGAGE CO. LTD.
 4 City Road, London EC1Y 2AU

MANAGER
 LATIN AND SOUTH AMERICA

City-based - c. £15,000

Our Client is a distinguished and highly successful international merchant bank intent upon the development of its activities into Latin and South America.

To meet these significant development plans, the bank now seeks to recruit, at manager level, a highly skilled commercial banker with a good background in lending and business development in this area.

Candidates for this progressive career opportunity will be in the likely age range 27-34 years, with fluency in Spanish or Portuguese, and should respond readily to the challenge inherent in such a role.

A highly competitive salary and accompanying fringe benefits will provide an accurate reflection of the importance attached by the bank to this position.

Contact Norman Philpot in confidence on 01-246 3812

NPA Recruitment Services Ltd
 60 Cheapside, London EC2, Telephone: 01-246 3812

DIRECTOR DESIGNATE
 LONDON METAL EXCHANGE DEPT.
 circa. £20,000 p.a.

To head a highly specialised department requiring considerable in-depth knowledge of all facets of LME operations.

Aged over 35, the person we are seeking will have had lengthy LME dealing experience covering options, hedging, institutional investments, private accounts, Comex and arbitrage. Must be capable of developing new business with a sound knowledge of credit assessment and control. Ability to liaise with existing customers and to handle the administration and general management of the department is equally important. Some knowledge of computer operations and accounting systems will be desirable.

The person appointed will be joining an old established and respected metals trading company where hard work and integrity will not be overlooked.

An attractive remuneration package is available, including an executive car.

Please write with full details in the strictest confidence to A. J. Hakim, MSc, MBA, Chairman.

A & A CONSULTANTS LIMITED
 Princess House Suite 407, 38 Jermyn Street, London SW1Y 6QY Tel: 01-734 9035 Telex 25116
 INTERNATIONAL RECRUITMENT & SELECTION CONSULTANTS
 Our clients are equal opportunity employers.

Internal Consultants
 Computer Systems
 London-based, c.£11,500 + car

These vacancies arise through promotion within a function recognised as providing excellent and varied career prospects. Our client is a major multinational and successful candidates will be members of an internal consultancy team providing international management at all levels with a professional appraisal of operations methods and an assurance of the integrity of current systems. Applicants, probably 27-35, must be graduates with at least 3 years in EDP systems management, ideally with IBM hardware. Exposure to Honeywell and DEC equipment would be an advantage and a full understanding of business problems associated with large scale systems-development is vital. There is about 30% travel, mainly overseas and the benefits and prospects are excellent.

N.P.S. Lilley, Ref: 22166/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Hoggett Bowers
 Executive Selection Consultants
 BIRMINGHAM, CAROIFF, GLASGOW, LEES, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

FINANCIAL CONTROLLER
 London S.W.1 circa. £12,000 + Car

Our client is a service industry group of companies located in the London area, having a turnover of £14 million.

The Group, which enjoys rapid growth, now seeks to appoint a Financial Controller who will assume responsibility for the finance function.

Initially involved in the development and refinement of management reporting procedures, the successful candidate will become involved in all aspects of the business including development and acquisitions.

Candidates will be qualified accountants probably aged 27-33, who have gained post-qualification experience in commerce/industry or the profession. They should be looking to utilise their training and experience to date by joining a young entrepreneurial company which will utilise both their technical skills and commercial acumen. Success in this appointment could lead to a move into general management.

For further information on this appointment and a personal history form, please contact Nigel V. Smith A.C.A., or Peter Dawson, 410 Strand, London WC2R 0NS. Tel: 01-836 9501, quoting reference 2673.

DOUGLAS LLAMBIAS
 Douglas Llambias Associates Ltd.
 Accountancy and Management Recruitment Consultants
 and at 121 St. Vincent St., Glasgow G2 5HW (041-226 3101)
 3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Financial Executives for Aquisitions and Planning

The Financial Evaluation Department of Vickers Limited is responsible to the Director of Finance and the Director of Planning for the investigation of possible acquisitions, and the co-ordination of corporate strategic planning. It also issues economic forecasts, utilises capital investment appraisal, participates in budget review and co-ordinates head office clearance of major tenders.

Two financial executives are now required at Head Office, Millbank, SW1, as a result of internal promotions:

A qualified accountant with extensive experience of investigations to be responsible for the appraisal of potential acquisitions.

A graduate with engineering or contract experience and desirably a business school qualification to act firstly as co-ordinator of strategic planning and secondly as co-ordinator of Head Office clearance of operating divisions' major tenders.

These appointments require men or women of about 30 who have a sound professional background, have been successful in their first jobs, and have the imagination, energy and balance to progress later to senior commercial positions in a large multi-product international business.

An attractive remuneration package including a car will be offered. Please send your c.v. to The Manager, Personnel Services, Vickers Limited, Millbank Tower, London, SW1P 4RA or telephone Richard Gibbons, Manager, Financial Evaluation Department, 01-822 7777.

VICKERS

strategic and financial analysis
 c.£13,500 Company Car

Lex Service Group is a major British company with diverse interests in service industries operating in retail, distributive and industrial markets in the UK and USA. The Company has an impressive growth record which it plans to maintain through the development of new and existing business.

The above position in the Corporate Strategy Department has arisen following an internal promotion and is designed to assist in the planning of this growth and to contribute to the development of the corporate strategy.

The particular responsibilities include: evaluation of the Group's financial strengths and development potential, recommending resource allocation throughout the corporate portfolio of businesses and the strategic financial evaluation of all major capital expenditure and divestment proposals. This person will also take responsibility for analysing and preparing recommendations on specific corporate strategy issues.

We therefore require a person with experience of financial planning and evaluation, ideally gained within a rapid growth environment, along with exposure to business acquisition evaluation. He or she should be fully conversant with business strategy analysis in general and corporate portfolio methodologies in particular.

In addition to the above experience, candidates aged 28-35 should possess a post-graduate business degree with finance specialism.

Specialist benefits of employment include 5 weeks holiday, non-contributory pension scheme and free membership of BUPA along with generous re-location expenses where appropriate.

Excellent opportunities exist for further development into line or functional management throughout the Company.

Please apply in writing with full details of your career to date or telephone for an application form to:-

Mr C. A. Rosen,
 Personnel Research Manager,
 Personnel Department,
 Lex Service Group Limited,
 17 Great Cumberland Place,
 London W1H 8AD.
 Tel: 01-723 1212

Lex Service Group

UNIT TRUSTS

Fidelity International Management Limited is a new UK company within the Fidelity Investment Group of Boston, which is now the largest manager of Mutual Funds (unit trusts) in the world and together with its offshore and pension funds has total assets under management of over £3,500 million. The UK company will be concerned with investment management in the UK and will shortly be launching a range of UK authorised Unit Trusts. The company now seeks to make two further appointments in its initial staffing.

It might also suit someone with banking or Stock Exchange experience who may have retired early. The job involves dealing primarily with professional advisers as well as the investing public.

ACCOUNTANT

The successful candidate will be responsible for the investment accounting of several unit trusts, and while a professional accounting qualification is not a necessary previous experience in this particular field is essential. A sound knowledge of unit trust management company work would also be desirable.

Competitive salaries are negotiable and fringe benefits include a non-contributory pension scheme. There are most attractive career prospects in this new company.

Applications for both these positions should be made in writing enclosing a full CV and sent, marked "Confidential" to: Richard Timberlake, Managing Director, Fidelity International Management Limited, Buckingham House, 62/3 Queen Street, London EC4R 1AD.

DEALER

This person will be concerned with taking orders for buying and selling units and needs to have the ability to discuss unit trusts and investment in general over the telephone or in writing. There is also the important administrative role of ensuring those orders are processed correctly. The position is likely to suit a man or woman in their early 20's (with at least 'A' level education) and with Stock Exchange or relevant experience.

FIDELITY INVESTMENT GROUP
 Boston London Tokyo Bermuda

TAX ACCOUNTANT

Barclays Bank International Limited are seeking a qualified accountant, FGA, ACA or ACCA, who has specialised in taxation, for their office complex in Poole, Dorset.

Applicants should be between 25-30 years of age and have at least two years' experience in this field. A sound knowledge of company taxation is essential.

Salary according to age and experience, plus many fringe benefits which include profit sharing and a non-contributory pension scheme.

Please apply in writing giving full details to:

Mr John Furr, Manager,
 Recruitment & Career Development,
 Barclays Bank International Limited,
 Barclays House, 1 Wimborne Road,
 Poole, Dorset BH15 2BB.

Applications must be received by 30 November 1979.

BARCLAYS International

HEAD OF FOREIGN EXCHANGE/MONEY SETTLEMENTS

As a result of continued expansion, a vacancy has arisen for Head of Foreign Exchange/Money Settlements Department, responsible for a complement of 10/12 engaged in the processing of dealing contracts, cash management, sterling clearing, customer services, and other related activities.

Candidates must have at least three years' experience in this aspect of banking operations preferably with an International Bank. Such persons should have a mature personality, and a proven ability to manage staff and communicate at all levels. The successful candidate is likely to have an A.I.B.

An attractive salary together with excellent fringe benefits are offered.

Full particulars should be sent in confidence to: Miss S. P. Morse, Personnel Office, Saudi International Bank, 99 Bishopsgate, London EC2M 3TB.

البنك السعودي العالمي المحدود
Saudi International Bank
 AL-BANK AL-SAUDI AL-ALAMI LIMITED

NEWLY QUALIFIED ACA
 London W1 c.£8000 + car

Growth and business expansion have created the need for a young accountant whose main function will be to liaise with the overseas operations in the implementation of formal accounting procedures and to monitor performance. He or she will introduce a budgetary control system and can expect increasing involvement in a variety of special work relating to broader commercial areas.

Our client is a well established Property Unit Trust with assets held internationally. Controlled by a committee of management it is the market leader in its field. The successful candidate will report directly to the Secretary and be an important member of a small professionally qualified team. Applicants should be newly qualified with an interest in financial institutions. Please telephone or write to Stephen Blaney, B.Comm., ACA quoting reference 1/1907.

EMA Management Personnel Ltd,
 Burne House, 88/89 High Holborn, London, WC1V 6LR
 telephone: 01-242 7773

EUROCURRENCY CREDIT

LENDING OFFICER c. £11,000
 U.S. bank seeks thoroughly experienced banker to help market and develop wide range of corporate credit and correspondent banking relationships.

HEAD OF CREDIT DEPT. c. £10,000
 To manage a team providing full analysis and control support in respect of new and existing lending with additional responsibilities including staff training.

CREDIT ANALYSIS c. £6,000 - £7,500
 Excellent prospects and on-going training are offered by one or two top City banks to young people with sound analytical skills and experience.

Please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
 31, Southwark Bridge, London, W.C1, 01-242 5841

FIELDING NEWSON-SMITH & CO.
 have a vacancy for a young (19-24) CONTRACTS CLERK with at least one year's experience.

Please telephone 01-606 7431

Q S BANKING RECRUITMENT CONSULTANTS

FX Manager	c. £20,000
Area Head Lending, Middle East	c. £18,000
Graduate Lending Officer (with German)	c. £9,000
Senior Accounts (ACCA or Part-Qual.)	c. £7,000
Retired person, 65-ish as Discount House Rep.	to £5,500
Advances Control Clerk	£5,500+

Please phone Sheila Anketell-Jones or Mike Pope 226-0721 30-31 Queen Street, EC4

Chief Accountant (COMMENCING) to £10,500+car ENFIELD, MIDDLESEX

Due to internal promotion this long established British Group wishes to recruit a qualified Accountant, aged 28-33, to the above position. As the undisputed leader in its field the Group is still expanding its market share and continues to return record profits.

Reporting to the Finance Director the role embraces responsibility for the co-ordination and control of a large accounting function via four managers. Specific duties are statutory and monthly management reporting, budgets, cash management, investment appraisal and the further development of data based systems. Other areas of direct involvement include financial modelling, corporate planning and company acquisitions.

This successful candidate will be well organised and an effective motivator. Career opportunities throughout the Group are excellent.

Young Graduate ACA (DIRECTOR POTENTIAL) to £10,000+bonus LONDON W1

A highly profitable British Company, whose philosophy is backed by sound commercial strategy, now wishes to appoint an astute recently qualified Chartered Accountant to understudy and assist the Financial Director.

Specific duties include the production of statutory and monthly management accounts, variance analysis, budgets and cash flow forecasts; foreign currency dealing, project evaluation and control, and the development of systems employing in-house mini computer facilities.

This is an intellectually demanding role which will require a high degree of technical competence combined with the ability to communicate with colleagues from non accounting and creative disciplines.

The appointed candidate will be exposed to a range of business management matters within a dynamic environment. This is intended as a platform for a future Directorship.

Fringe benefits include, free BUPA, Pension Scheme and Life Assurance and a profit/individual performance related bonus.

Interested candidates should apply in confidence to:-

Sheldrick, Sedgwick & Goddard

93-94 Chancery Lane, London WC2A 1DT. 01-404 0612

Senior accountancy & financial-management selection

Financial Controller c.£11,000+car - North

A medium sized light engineering operation, happily successful through the last few hard years, is now anxious to set the seal on future development. To make the most of its substantial international parentage and to strengthen its current management team, the company is looking for a new Financial Controller. We are, therefore, hoping to attract a tough, experienced Cost and Management Accountant, probably early thirties, to be responsible to the Managing Director for the financial control of the entire operation. Although the position carries most of the usual responsibilities associated with the finance function, inevitably the greatest emphasis will be placed on manufacturing cost control. The right candidate will not see the role as a "thing" or service activity, but will want to be involved in all aspects of management, making a genuine contribution to engineering, production, marketing and personal policies. Please write with full career details to Graham Oliver, quoting reference 9136/GS90.

Applications, which may be from male or female candidates, will be treated in confidence. As we promise our clients that we will move quickly, please give telephone numbers (ideally both home and work) at which we can contact you.

BROOK STREET EXECUTIVE RESOURCES LIMITED

47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

The Executive Selection Company of the BROOK STREET Employment Service Group

Brewery Accountant

Age 24-28
London, c. £9,000 + fringe benefits

Our client, a company within the Brewery industry, requires an Accountant to head up a company production accounting section and to administer newly installed management accounting systems.

The ability to deal successfully with senior production management is essential. Candidates must be qualified (ACMA preferred) and ideally have a process industry background. Promotion prospects are good.

Mrs. L. Brown, Ref: 19180/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARLISLE, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

Merchant Bank Leasing c.£6000 p.a. plus benefits

Hill Samuel Leasing Co. Limited, a wholly owned subsidiary of the Merchant Bank, is seeking the early appointment of a person to join a small team to handle the negotiation and evaluation of lease contracts.

Whilst applicants with specific leasing experience and aged up to 35 might well be suitable, the successful candidate is more likely to be between 25 and 30 possessing a background of at least 2 years in commercial banking, probably having been a graduate entrant. The requirement for this new position is for a resourceful person capable of being fully involved in all aspects of the leasing business and of making an all round contribution.

Salary will be negotiable depending on experience and qualifications. Excellent company benefits include a non-contributory pension scheme with free life assurance and BUPA membership, mortgage assistance, staff and season ticket loans, subsidised luncheon and LVs.

Candidates should apply in writing with brief details to:
P G S Coulson, Senior Personnel Officer
Hill Samuel & Co Limited, 100 Wood Street,
London EC2P 2AJ



LOANS OFFICER
INT. CITY BANK
Euro Currency exp. Ags 20/30.
Languages useful. £5,000.
Also
For./Each. Supervisor, City, £7,000.
Mrs. Lee
LEE PERSONNEL CONSULTANTS
408-1944

U.K. Pensions Manager

The Company is a major force in the world and manufactures a wide range of household products.

Retirement has created an excellent opportunity for an established large company pensions executive to further his/her career. Under the Trustees, total responsibility will exist for running a substantial insured scheme. Later on, it is the intention to convert to a managed fund and subsequently careful thought will be given to development into a self-invested scheme. While predominantly UK based, Board level advice will have to be given on pension matters to overseas subsidiaries.

Possibly aged 35/40, a professional qualification will be essential. Wide exposure within pensions management with impressive performance accountability is expected of candidates. Personality factors are important due to the need to conduct firm but friendly negotiations at many levels.

Location: Greater London area. Salary indicator - negotiable, c. £15/16000 p.a. to commence plus a car and many large company benefits. Relocation expenses are available, if needed.

Please write in absolute confidence - briefly in the first instance - to PJG Rolandi, Chairman, Ref: 910/2.



Alliance Management Consultants Ltd
15 Borough High Street, London SE1 9SH
Tel: 01-403 0894 (24 hours)

Alliance

ACCOUNTANTS to join the Revolution

Essex £8,500 + Car

Our client - part of a large British Group - is introducing an exciting new range of microprocessor based products. To keep their accounting functions in line with this development, they are looking for two key people to run their Management and Financial Accounting functions - people who want to join the microprocessor revolution.

Both positions, Chief Financial Accountant and Chief Management Accountant, will supervise substantial departments. Both jobs need people who want to be involved - and to be trained - in the development and introduction of the latest computer based systems.

Candidates will be joining a young and enthusiastic team. They will be under 35, fully qualified (chartered or cost and management) probably graduates, with some commercial experience. The location is in easy reach of attractive countryside and help with relocation is available.

Send full details, quoting reference number 1057, to Peter Raynes, or if you would prefer to complete a form, Ring Guildford (0483) 67781 (24 hour service).

PETER COUNSEL limited

Executive Recruitment

The White House, 8 High Street, Guildford, Surrey, GU2 5AJ

Career Opportunity in the Swire Group

CORPORATE PLANNING AND DEVELOPMENT

This major British Group with extensive and expanding international business interests is seeking a young executive in the mid/late 20s to fill a key position in London in its project appraisal/development and corporate planning team. This is a new appointment based at Head Office in the City with opportunity in due course to join Swire Group management overseas.

The requirement is for a Chartered Accountant perhaps also a graduate with the character and ability to work with personal initiative and considerable autonomy. Knowledge of investment appraisal techniques, particularly DCF, is required and experience in the corporate planning field would be an advantage.

A competitive salary, bonus, car and other benefits will be offered.

Write in confidence to:

F. H. Scobie

F. H. Scobie & Associates, Management Consultants

28-29 St. James's Square, London, S.W.1.

Corporate Banking

NORDIC COUNTRIES

Our client is a major international bank with a well established business in commerce and with governments in the Nordic countries. They are now recruiting an Account Officer to be based in London, but whose work will necessitate extensive travel throughout one or more of the five countries.

He or she will deal direct with their own group of existing and potential clients and will be responsible for marketing the entire range of the bank's world-wide services to them. It is essential therefore, that candidates have relevant experience including face to face client contact at senior levels, backed by a rigorous training in all aspects of credit analysis.

Other important considerations will be: age ideally 27-34, fluency in one or more Nordic languages and a degree or equivalent professional qualification. Candidates from Scandinavia will be seriously considered and experience of the area will be an advantage for other applicants.

Remuneration will include a wide range of benefits in addition to a five figure salary.

Write to or call in complete confidence, David Thompson who is advising on this appointment, quoting reference 1978.

Oggers

MANAGEMENT CONSULTANTS
Oggers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811

IBCA

REQUIRES BANK CREDIT ANALYSTS

IBCA provides analytical credit reports on international banks and banking systems for major financial institutions, including Central Banks. Expansion of this service requires additional analysts who:

- interview senior management of foreign banks
- prepare sophisticated credit analysis reports
- advise customers on bank credit

Fluency in one or more foreign languages (preferably Spanish/Portuguese) is essential but experience in bank credit analysis is not necessary.

Initial salaries can range from £8,000 for a junior analyst to over £10,000.

Please ring (377 8929) or write to Colin McGill

IBCA Banking Analysis Limited, 2/12 Wilson Stret, London EC2M 2TE

FUND MANAGER

London

A leading United States Bank is expanding its professional team serving international investment management clients.

The successful applicant will need to demonstrate:

- (a) experience over at least two years gained through responsibility for multi-currency fund management;
- (b) appropriate training in the mechanics of investment with a recognised investment management organisation;
- (c) relevant academic qualifications.

He or she can expect a challenging environment in a rapidly growing organisation, with a salary which reflects the high standards required.

Please reply with full curriculum vitae to:

Box FT/898 Hanway House
Clark's Place, Bishopsgate, London EC2N 4BJ

Please indicate, through a covering letter, any companies to whom you would not want your application forwarded.

YOUNG INVESTMENT MANAGER

Julian Gibbs Group require young Investment and Share Exchange Manager, based near Oxford Circus/Bond Street. This interesting new job involves dealing with share exchanges through Insurance Companies and Unit Trust Groups and monitoring Unit Trust and Investment Bond performances in liaison with Investment Research.

Valuation and statistical experience essential. Salary around £6,000 plus bonus scheme. Write with C.V. to Sylvia Montgomery, 9, Manchester Square, W1, or phone 487 4895.

هكزاس الشهر

Division Accountant c.£10,500: SURREY

This is a new, senior appointment with considerable career potential within the Yeast and Food Division of the Distillers Company Limited.

Reporting directly to the Finance Director, you will manage the Head Office Accounts and Cash/Payroll departments. You will equally be directly responsible for the preparation and co-ordination, at Division level, of all projections, budgets, forecasts, management and statutory accounts.

previous management and management accounting experience within a diversified, multi-unit operation. An analytical approach to problem-solving and a clear written and spoken manner are essential for liaison with all levels of management.

The starting salary package is negotiable c. £10,500, including London Weighting and productivity bonus. There are non-contributory pension and BUPA plans. Comprehensive relocation assistance, where necessary.

Please telephone or write for further details and an application form to Miss G. McGuire, Assistant to Divisional Personnel Manager, The Distillers Company Limited, Yeast and Food Division, Crown House, Morden, Surrey. Tel: 01-5426655.



Yeast and Food Division

SOLICITOR £20,000

Our client, a multi-disciplinary firm offering a comprehensive financial planning service to both domestic and international clients, invites applications from experienced lawyers.

Since inception, the company has broadened its activities from a purely tax-based consultancy to advising clients on matters relating to corporate reconstructions, acquisitions and other aspects of commercial legal affairs.

The successful candidate will lead a small team providing a full legal service in relation to the advisory activities of the firm which would complement the tax expertise already developed.

This position will provide a demanding and rewarding role with prospects for further advancement. For a solicitor aged around 30, who already occupies a senior position in the profession or in an active company legal department.

The firm is located in a rural setting South of London and the terms are negotiable up to the salary indicated above.

Interested candidates should telephone or write to: RICHARD WILSON, M.A. Consultant Ref: 4601



SENIOR ANALYST ASSISTANT FINANCIAL SERVICES OPERATIONS MANAGER

Age 26-28

c.£7500

Age 27-33

c.£8500

One of the world's largest International Banks seeks to appoint a part or recently qualified accountant to a responsible role in their expanding financial services area. The successful candidate will be an ardent, enthusiastic self-starter with the ability to acquire new skills rapidly, in a fast moving department providing a full range of management information systems on a timely basis.

Please telephone, in confidence, Brian Durham.

BANKING PERSONNEL

41/42 London Wall, London EC2. Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)

BANKING APPOINTMENTS

No. 2 FX DEALER c. £10,000/12,500 plus excellent perks required by leading international Bank. Must have had experience in busy FX dealing Room of large international Bank, preferably U.S. Age 25+. Ring for appointment: 283 6022/6023 V.P.N. EMPLOYMENT

CREDIT INSURANCE BROKER

Stewart Wrightson (Credit Management) Limited is a market leader in its own right and is a subsidiary of the Stewart Wrightson Group.

We are looking for a senior broker who will be involved in the servicing of existing accounts and the development of new business. The successful applicant will need a detailed knowledge of ECGD practices and knowledge of Trade Indemnity cover and other credit insurance markets.

The salary will reflect the importance of this role and will be attractive to applicants who can demonstrate a proven record of success in this field. In addition a company car will be provided and an attractive fringe benefits package including non-contributory pension scheme.

Please write giving details of career to date and qualifications to:

Miko Harrison, Personnel Manager Stewart Wrightson, Kingston Bridge House Church Grove, Kingston upon Thames, Surrey KT1 4AG



BUSINESS DEVELOPMENT

Age: 25/45 Salary: £10,000 neg

A major International Bank wishes to recruit a Business Developer fluent in Italian with a broad based knowledge of international banking. After a period of training in the London office the successful candidate will be transferred to Italy for a two to three-year period.

Other current opportunities: DEALERS to £12,000 CREDIT ANALYSTS to £10,000 LOANS ADMIN. to £6,000 SECURITIES to £5,000 PLUS MANY MORE

BSB Banking Appointments

115-117, Cannon Street, London EC4N 3AN Telephone 01-423 7317 & 01-423 2861 Recruitment Consultants

These positions are open to both male and female applicants

LONDON BOROUGH OF CROYDON

Director of Finance

Salary to be negotiated

This appointment has an important role in the Council's overall management as well as directing the financial management of the authority.

Croydon is the largest London Borough with a population of about 330,000. It covers a very wide range of services including Education.

Further details and application forms from the Town Clerk and Chief Executive, Taberner House, Park Lane, Croydon CR9 3JS. Telephone 01-686 4433 Ext. 2315

Partnership Secretary

c. £8500 - Plymouth

with a leading firm of West Country solicitors. The responsibility of this new role will be to work closely with the partners on all aspects of administration with particular emphasis on financial management and accounting.

The requirement is for a chartered secretary or qualified accountant of professional stature, probably aged 32 to 45. Small company or partnership experience which has included use of computers would be ideal.

Additional benefits, including re-location assistance if required, are good.

Please write, in confidence, with relevant details, quoting ref. B.19101, to Peter Lewis, MSL Chartered Secretary, Management Selection Limited, 17 Stratton Street, London W1X 6DB. This appointment is open to men and women.



International Engineering and Contracting Group

A prominent International Engineering and Contracting Group wishes to appoint an additional member of their senior management team as a

Marketing Services Manager

C. £15,000

Reporting to the Group Divisional Managing Director the prime function will be to make known to potential customers the services and products available from the Group and to represent the Group at meetings of trade associations, national and international bodies and the like.

He or she will be responsible for public relations, advertising, exhibitions, market intelligence and supporting marketing services. Proven marketing experience at a high level is essential as the successful candidate will be required to make a significant contribution.

The total reward package includes negotiable salary, plus car, life assurance and pension benefit.

Applicants should write giving full but concise details of age, qualifications, career history and salary to date stating the names of any organisations to whom their application may not be sent to: John Adams, Associate Director, Ref: 1013.

Whites

Whites Recruitment Limited.

Royal Exchange House, City Square, Leeds LS1 5NS.

Telephone: 0113 242424. Telex: 200000 Whites Leeds, London, Manchester and Wolverhampton.

Are you a Young Ambitious Credit Analyst?

We are currently seeking someone with credit analysis experience to assist our Syndications Manager and to a lesser extent support our Corporate Banking team. Candidates, who are likely to be aged under 30, should possess, ideally although not essentially, an appropriate accounting qualification and have the ability to work with the minimum of supervision.

An attractive salary will be offered commensurate with experience together with an excellent benefits package.

Please apply in writing enclosing C.V. to Personnel Department, United California Bank, California House, 36/39 Essex Street, London WC2R 3AS.



Accounting Opportunity in Oil

This is a new appointment intended to take charge of a nine-strong accounting team in the London/UK subsidiary of a major US oil corporation. The man or woman appointed must be well prepared for management responsibility over the detailed and often complex accounting matters which so greatly influence the profitability of oil and gas production in the North Sea and Northern Europe.

On our clients behalf, we are seeking a Manager, Exploration & Production Accounting—a 30-35 year old qualified accountant with solid practical experience of the oil industry and its accounting applications.

Salary is broadly negotiable £12,000 to £14,000 per annum.

For further information you will please write in strictest confidence, with a brief career outline, to Richard Robinson who is advising on this post, at:

Otteridge & Co. Management Recruitment 199 Knightsbridge London SW7

How to open the Right Door in France

A very senior French executive with 30 years' experience of management in Paris at the highest level, is prepared to put his expertise, know-how and contacts in the industrial, commercial and political fields at the disposal of British or other foreign business interests. The man in question is in a position to open almost all doors in France and in French-speaking Africa. He will consider full or part-time involvement in worthwhile and reputable undertakings and could, if the circumstances so dictate, participate in short-term projects on a fee basis.

Write in strictest confidence to Box F.1176, Financial Times, 10 Cannon Street, EC4P 4BY.

CONTRACTS AND TENDERS

VACANCY — CATERERS

CITY OF NEWCASTLE UPON TYNE

Estate and Property Department

BLACKFRIARS RESTORATION

RESTAURANT CONCESSION

SELECT UNDER LIST

Applications are invited from suitably experienced caterers for inclusion in a select list of caterers from whom tenders will be invited for the above concession.

An extensive restoration programme is under way at 'Blackfriars,' a former Dominican Priory. The first phase of the work comprising a craft centre has already been completed and work is well advanced on the second phase comprising a Tourist Information Centre and Restaurant, which has the backing of the English Tourist Board, is expected to be completed in the late Spring of 1980 and will be a high-quality tourist attraction which the City Council hope will attract and encourage travellers to spend time in the City.

Caterers are requested to submit with their applications particulars of similar concessions operated by them giving the names of the authorities concerned to whom reference may be made.

Applications should be submitted to the City Estate and Property Surveyor, Civic Centre, Newcastle upon Tyne NE1 8PP, so as to arrive not later than Monday, 17th December, 1979.

LEGAL NOTICES

SINGER & FRIEDLANDER LIMITED

JOHN A. HATTERSLY

PORTER VALLEY INVESTMENTS LIMITED

Any persons who were introduced by Singer & Friedlander Limited to Mr. John A. Hattersly and/or Porter Valley Investments Limited with a view to trading in commodity futures are invited through their solicitors, or accountants to contact David Law & Co., Solicitors, Telegraph House, High Street, Sheffield S1 1PT.

ART GALLERIES

AGNEW GALLERY, 15, Old Bond St., W1

629 6178. TURKISH LAM EXHIBITION

15th November 1979 at the average discount rate of 15%. per annum. Application forms total £2,900,000. The total amount of Bills is £1,000,000.

G. U. PRICE, Borough Treasurer.

SLough BOROUGH COUNCIL

£50,000 Bills issued 14th November 1979. Interest 15th February 1980 at 15% per annum. Applications total £2,900,000. The total amount of Bills is £1,000,000.

CHRISTOPHER WOOD, 15, Meccomb St., SW1

2325 9141. Autumn Exhibition

FINE ART SOCIETY, 158, New Bond St., W1. 01-629 9116. 'The Rustic Image'

COMPANY NOTICES

THE RIO TINTO-ZINC CORPORATION LIMITED

NOTICE

To holders of Warrants to Bear

3.5% "NON-CUMULATIVE PREFERENCE SHARES OF £1 EACH

NOTICE IS HEREBY GIVEN that a

dividend of 4.5p per Share will be paid on the 2nd January 1980

in respect of the year ending 31st December, 1979.

Payment of this dividend will be made

at any of the undermentioned offices of payment.

OFFICES OF PAYMENT

The Rio Tinto-Zinc Corporation Limited, (Registered Office, Central Registration Limited, 25, Abchurch Lane, London EC4N 3DF.)

Bank of Montreal, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of Commerce, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the West, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the South, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the North, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the East, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the West, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the South, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

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Bank of the North, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

Bank of the East, 119, Rue de la Loi, 1000, Montreal, Quebec, Canada H2Y 1K9.

BRAZILIAN INVESTMENTS S.A.

SOCIEDADE DE INVESTIMENTOS

SECRETARIA DE ECONOMIA

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the

Fifth Annual General Meeting of the

shareholders of the above company

will be held at the offices of the

Company, 115, Rua do Ouvidor, Rio

de Janeiro, on Friday, 22nd

November, 1979, at 3.30 p.m. for the

following purposes:

1. To receive and consider the

Director's Report and Accounts for

the Company, and the independent

auditor's opinion thereon, for the

year ended 30th September, 1979.

2. To declare a final dividend of

98 per cent.

3. To be informed of the resignation

of William Ralph Wirth from the

Advisory Council and to propose

the election of Christian Graf as

his substitute.

4. To establish the remuneration of

the Director.

5. To establish the remuneration of

the Administrative Council.

6. To establish the remuneration of

the Board of Directors.

7. To authorize the directors to

establish the remuneration of the

auditors.

8. To discuss other business.

By Order of the Board

Geoffrey Ainsworth, Secretary

Administrative Council.

Rio de Janeiro, 10th October, 1979.

Holders of the issued Ordinary

Shares of the above company who

wish to have the under-

lying Register of Shareholders

viewed at their homes, should

deposit their 10% of the value of

their shares with the Company

on or before 15th November, 1979, at

any of the following offices:

115, Rua do Ouvidor, Rio de Janeiro, Brazil.

ALUMINIUM PECHINEY

French Limited Company, with a capital

of FF 612,000,000.

Registered office in Lyons.

Administration office in Paris.

8, rue Balzac, 23

U.S. & LOAN 25,000,000.00

9% BONDS 1979/1985

WE HEREBY INFORM Shareholders

of the redemption of the remaining

of U.S. \$25,000,000.00 due, a draw

will be held on the premises of

Morgan Guaranty Trust Company of

New York, on Friday, 15th

November, 1979, at 10.00 a.m.

Shareholders who wish to have

the Register of Shareholders

viewed at their homes, should

deposit their 10% of the value of

their shares with the Company

on or before 15th November, 1979,

at any of the following offices:

115, Rue de la Loi, 1000, Montreal,

Quebec, Canada H2Y 1K9.

115, Rue de la Loi, 1000, Montreal,

Quebec, Canada H2Y 1K9.

115, Rue de la Loi, 1000, Montreal,

Quebec, Canada H2Y

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Dame Edna, your Sunday Times is back.

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READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Equity investments of about £5,000 to £2,000,000 in privately-owned companies

Midland Bank Industrial Equity Holdings Limited Group of companies can provide or arrange minority and flexible equity investments in suitable cases.

Investment funds are available for:-

- * Development capital
- * C.T.T. payment or planning
- * Venture capital, including start-ups
- * Shareholders wishing to retire
- * Shareholders wishing to establish family trusts or who require funds for other purposes

For full details and brochures please contact: Midland Montagu Industrial Finance Limited, Scottish Life House, 36 Poultry, London EC2R 8AJ Telephone: 01-638 8861

Midland Bank Group

£1,000,000 TO INVEST

A UK and Ireland based privately owned thriving Company with young working Directors have from £250,000 to £1,000,000 immediately available to invest in wholesale distribution business at present actively involved in insurance, livestock and bloodstock, import/export, property development, estate agency, car wholesale, retail and auction.

A wide area of business and products would be considered. Any venture undertaken would be vigorously and enthusiastically pursued by a young energetic marketing team with ground floor experience in an aggressive marketplace. A joint venture would be considered.

All replies treated in the strictest confidence.

Reply Box G.4921, Financial Times, 10, Cannon Street, EC4P 4BY.

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A successful group of companies in the forefront of its field in the industrial control market, marketing and manufacturing electronic and electro-mechanical equipment utilising microprocessor technology, seeks to invest in established companies specialising in electronic instruments, electro-optic or electro-mechanical sensors or control components for industrial use. Sales preferably of £1 million upwards to £5 million. Majority interest required either initially or with the option within a reasonable term of years.

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RELEASE YOUR OWN CASH BY DISCOUNTING YOUR INVOICES 95% paid by return on approved accounts Phone Bolton (0204) 693321 Telex 63415 MRS BENNETT Silverburn Finance (U.K.) Ltd.

GIBRALTAR-BASED BRITISH-QUALIFIED MERCANTILE HOUSE

available for industrial and capital plant operations in third countries. Exempt status for handling international funds with security. Principals only please. Write Box G.4894, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE

Pre-fabricated accommodation hire fleet. A number of standard and semi-specialist buildings approximately £250,000 annual profit circa £80,000. Please write in confidence to: Box G.4892, Financial Times, 10, Cannon Street, EC4P 4BY.

OIL & GAS PROSPECTS

The lifting of Exchange Control allows direct participation in U.S. oil properties, by British Companies and citizens. For free introductory Note write Athol Cosaluzate Ltd., 12 St. George's St., Douglas, I.D.M. Tel: (0524) 82256. Telex: 822566.

BUSINESS OPPORTUNITIES

Fourteen Passenger Cruise Ships for sale and/or charter. Most currently in operation earning to 25% on equity. Excellent offshore tax shelter. From 150-200 passenger. 25 to 550 million. Brochure available. Hastings Associates (Overseas), 4715 S. W. 67th Ave. Miami, Fla. 33155. Tel: (305) 661-9165. Serious inquiries only.

PROJECTS IN AFRICA

Private Group with successful experience in Africa wishes to be associated with reputable European industrial/Agriculture/Financial companies or groups to promote and develop small/medium or large projects or supply contracts. Also wishes to participate in organising attractive financial schemes in suitable cases. An economist will be required to be retained for a specific deal to deal with. Reply in confidence for discussion. Write Box G.4893, Financial Times, 10 Cannon Street, EC4P 4BY.

TOOLMAKING PACKAGE

Mould and die capability. Good men, premises, plant, services and manager, 12k hours pa, operational, non-union, located Somerset. Vendors genuine offer. Principals only with ability to invest £20k. Respond to Marchant Telford, Salford, 84 High Street, Newport Pagnell, Bucks. Telex No. 828982.

MARKETING CONSULTANTS VISITING USA

Projects undertaken - Distributions Insurance Products Licensed Contact Sally-Anne Rutter NICHOLAS HALL & COMPANY Oarham Road, Thame, Oxon. Tel: (084-221) 2388 or in Florida 306-781 2113

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seek financial assistance, possibly from overseas sources, to develop a large, modern property portfolio. Capital available. Principals only please. Write Box G.4895, Financial Times, 10, Cannon Street, EC4P 4BY.

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Specialist trade publishing company for sale. Write Box G.4870, Financial Times, 10, Cannon Street, EC4P 4BY.



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CREDIT & FINANCE SERVICES FOR EXPORTERS

Obtain details of our Factoring and Invoice Discounting Services. Write in confidence to: The Managing Director, Box G.4818, Financial Times, 10 Cannon Street, EC4P 4BY.

OPPORTUNITY TO INVEST IN LEISURE

The fastest growing industry in the world. The private owners of a superb £15m leisure complex, comprising bars, restaurants, golf, squash, etc., etc. Invite enquiries from individuals, public or large companies at home or abroad, wishing to acquire further interests on part or full equity basis. Complex is adjacent to a Midland city, has over 200 acres of freehold land and many buildings. Complex is expanding weekly and has benefits of planning permission for hotel accommodation. Write in strictest confidence to: The Managing Director, Box G.4818, Financial Times, 10 Cannon Street, EC4P 4BY.

TASK - BUSINESS OR PARTNERSHIP SOUGHT

Former MD controlling retail group of 100 units with £100m turnover and profit of £1m seeks opportunity to use experience, initiative and energy. Prepared to invest sensible capital. Aged 46 and resident in North West area prefers activity within reasonable distance. All types of enterprise considered including consultancy provided they entail using brain and have some challenge. Please reply to: 24 Keady Close, Crofton Lane, Orpington, Kent.

IMMEDIATE INVESTMENT OF £20,000

required by progressive company involved in entertainment business. Market reaction with this new venture through major agency has opportunities for investment. Full details available by replying to: Box G.4818, Financial Times, 10 Cannon Street, EC4P 4BY.

VENTURE CAPITAL

Young company based in North West seeks opportunity anywhere for investment of venture capital with or without participation. Special interest in graphics, photography and for printing. Not a condition of negotiation. Principals only write fully, in confidence, to: Box G.4841, Financial Times, 10 Cannon Street, EC4P 4BY.

HIRE BOAT INVESTMENT

Thames-based hire fleet operating through major agency has opportunities for investment. Write Box G.4891, Financial Times, 10 Cannon Street, EC4P 4BY.

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Take a close look at Fine Stamps

Falkland Islands 1933 Centenary Issue*
 A series of twelve stamps issued in January 1933 to commemorate 100 years of British occupation. A series of these stamps were purchased in March 1977 for £520. Today's current market valuation is £3,000. For further information on this most lucrative of non-traditional investments contact the address below.

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ADVERTISING and Now! looks ahead

THE sales of Now! magazine are leveling off at a higher level than anticipated and the magazine could be on the way to making a healthy profit. That was the inside information disclosed by proprietor Sir James Goldsmith speaking at a Women's Advertising Club of London dinner on Tuesday night.

With the ninth issue out the feeling is that sales have stabilized at their low, and at 240,000 copies they are 60,000 higher than the anticipated bottom of 180,000. At launch the magazine printed 400,000 copies. Sir James admits that Now! "has not found the right blend yet" and has three particular criticisms - that the editorial matter does not stand back enough from the news; that Now! is too male orientated, and that it needs more pictures. But considering it was launched without television support the first two months have exceeded expectations.

Perhaps the most interesting fact from Sir James' frank speech was that although £1.7m was spent on advertising and promoting the magazine (as against a planned budget, to include TV, of £2.5m) 68 per cent of the target ABCI mark had never heard of it and only 15 per cent of the potential audience had actually seen a copy. To increase awareness Now! is to get its big television advertising campaign early next year and this should bring sales above the 250,000 mark, which says Sir James, ensures a very good profit.

Although he began his remarks by saying that it was by no means certain that Now! would be successful, he closed by saying that if the encouraging trend continued "we will push the magazine hard for two years and then launch a daily." All the signs are that Sir James Goldsmith has just started his career as a press knight.

Norwich explodes

IN January the Norwich Union starts a three-month £250,000 television campaign in the Granada, ATV and Anglia regions. This is not surprising in itself: the insurance company, unlike its competitors, has been advertising regularly on television for six years with the aim of making the under-insured British wake up, although it knows that it is virtually impossible to connect advertising expenditure with any rise in customers.

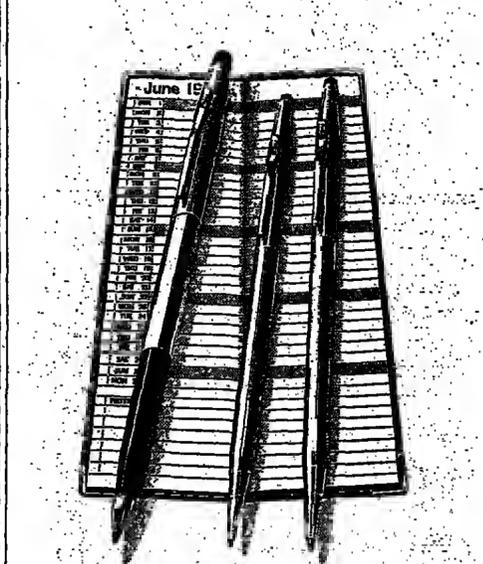
What is surprising is the creative approach in the new campaign, the work of Harrison-McCann. It takes Norwich Cathedral as a starting point and then bursts out into graphics, a profusion of dots and dashes, circles and squares, representing the various misadventures which can occur in life, including one which has never been mentioned in a television commercial before - death. The IFCA had to be persuaded on this aspect but research showed that viewers were keen to have information about the ultimate.

If the campaign can prod a few people into doing something which is invariably postponed the Norwich Union will then be satisfied. It will research reactions and probably will go out to other regions. Although only around sixth in size among the insurance companies, it is the second best known, thanks to its steady advertising (the 1980 budget is £500,000 plus), and this gives it a head start when potential customers start talking to their brokers.

Spotlight on London

MEAL is offering a new service - a breakdown of advertising in London. September, the first month covered, was hardly typical with television at the all but the findings show that Capital Radio took £1.4m at rate card costs and LBC £590,000 in the month. The largest media group was weekly newspapers with an estimated expenditure by advertisers of £5.4m. Capital was the largest single medium, and the two radio stations took more advertising than the two London evenings, who amassed £1.5m in advertising. Excluding television, advertising in London in September totalled £10.4m - with television (using 1978 ITV revenues) the capital would have attracted nearly £22m.

The research also looks at product groups. On radio the biggest advertiser was department and retail stores with a spend of £251,000, followed by cinemas and films with £209,000. Then came newspapers, recruitment agencies, and consumer magazines.



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THE MARKETING SCENE

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Daytime challenge to ITV . . .

BY MIKE TOWNSIN

THE ITV companies, already reeling from the impact of 11 weeks off the air and an increasingly vocal opposition from advertisers and agencies to the proposal that they should handle Channel Four's airtime sales, were dealt another blow recently with the report that two new consortia will be pitching for the London daytime franchise and a national breakfast-time franchise respectively.

London Daytime Television, the name of the consortium which intends to submit its plans to the IBA for parts of the franchises currently held by Thames and London Weekend, could be responsible for supplying programmes from 7 am to late afternoon on a daily basis. This would involve redrawing the time boundaries that currently exist between the franchise holders. And since it is unlikely that the London area, lucrative though it is, could profitably support three franchise holders, it is possible that the present four-day, three-day split between Thames and London Weekend could become a seven-day franchise if the IBA accepted the principle of a seven-day daytime franchise.

political figure, are proposing to produce a nationally networked breakfast show for 21 hours, five mornings a week.

Although breakfast-time television is well-established in the U.S. with shows such as NBC's "Today" and ABC's "Good Morning America" the ITV companies have tried it only once, in the Trident area between March and May 1977 from 8.30 am to mid-morning. The combination of a news magazine, followed by cartoons and Peyton Place was a pretty ill-conceived mix to schedule against constantly shifting breakfast households, and though it was relatively successful in the Easter School holidays, particularly against children — an average 14 ratings was achieved on one day, the housewife and child ratings dwindled to averages of two and one respectively after the holidays.

The other problem is that breakfast TV is expensive for a regional company to operate because of the heavy "unsocial hours" payments to both studio and transmitter staff. This is why a company transmitting nationally and receiving national advertising revenue would have a much greater chance of success than the individual ITV companies, though a national franchise for certain hours is completely unprecedented and, as a concept, probably harder to sell to the IBA than a separate London daytime franchise. Also

Year	Available housewife audience m	% of housewives viewing ITV day afternoons (ratings) week	'000's
1973	17.2	14	2,407
1974	17.5	15	2,633
1975	18.4	13	2,396
1976	18.6	12	2,234
1977	18.9	11	2,075
1978	19.4	11	2,138 (2,716)*

Source: JICTAR/AGB.

* If the percentage of housewives viewing in the afternoon in 1973 had remained constant this would have produced an audience of 2.7m housewives in 1978. So the real drop in housewife audience is 21 per cent (2.1m against 2.7m).

the consortium would be proposing to provide an alternative news service to ITN whereas, so far, the IBA appears to have accepted that ITN will be the sole news provider for ITV and Channel Four.

interesting side-effect of the emergence of the breakfast-time consortium is the impact it might have on any plans to split other ITV regions into split-week franchises, a structure favoured by many agencies and advertisers as a means of introducing more competition into ITV.

But who is going to view breakfast and daytime television and which advertisers will these time bands attract? ITV began programming on weekday afternoons in 1973

with a combination of magazines, serials and old movies. The audience profile was, until the mid-70s, biased towards young housewives with children and people over 55. But now, as a result of the decline of investment in daytime programming and the lack of schedule continuity through the summer and early autumn, ratings have fallen and the audience has become more biased towards the over 55's. The total daytime audience has also fallen by 21 per cent since 1974.

So though daytime in its present fallow state is not particularly interesting as an advertising medium, it certainly can generate a commercially attractive audience. And had the ITV companies developed daytime in the last six years and used it both as a means of reducing advertisers' overall television costs and as a means of helping low-budget advertisers break into an otherwise prohibitively expensive medium, then maybe they would be in a stronger position to defend their contracts in 1980.

Daytime and breakfast-time, like Channel Four, would give low budget advertisers, whether they wish to reach mass markets or special markets, access to this most powerful medium at an acceptable cost. Smaller retailers, for example, would obviously find low cost breakfast audiences particularly attractive, as would any advertiser with an interest in reaching his audience close to point-of-sale. In the later morning and afternoon where, on the evidence of experience here and in the U.S., substantial young housewife audiences could be generated (the average weekday afternoon housewife rating on ITV in 1974 was 15), advertising revenue would be drawn from a much broader spectrum of advertisers, from baby-care products to paper-back books. The hugely contentious issue will, of course, be programme content and scheduling.

The "London Daytime Television" consortium is said to be anxious to avoid the soap-operas (serials) and lowbrow quiz shows which dominate America's daytime schedules. However, history shows, both here and in the US that by far

the most successful form of daytime programming is back-to-back serials; currently the most consistently successful daytime shows in this country are Cedar Tree and Emmerdale Farm, both serials, followed closely by reruns of movies and repeats of night-time drama series.

So in order to generate commercially viable audiences it is almost certain that the daytime contractor would have to schedule a fairly high proportion of this type of programming, though there is scope for a great deal more experimentation in daytime formats particularly in the fields of light entertainment, magazine programmes, news and documentaries.

Breakfast-time programming is more of an unknown quantity and would probably have to go through several phases of fine tuning before the mix was right. The key consideration has to be the unique nature of the audience at that time of day — busy, transient, housewife oriented, with greater availability to view in school holidays.

Even more crucial is the proximity of the television set to breakfast-time domestic activities. In this country, unlike the U.S. where the establishment of two set homes is 49 per cent, only 15 per cent of homes have a second set, of which just over 2 per cent are colour and 13 per cent black and white. So, until second set penetration grows, the breakfast-time programme company is going to be up against the tendency of the UK for the main receiver to be located in an area of the home not frequented at breakfast time.

In order to produce the revenue necessary to make breakfast-time and daytime broadcasting commercially viable and yet keep advertising rates low enough to attract advertisers, it might make sense for the IBA to consider increasing the number of advertising minutes allowed during these hours, this is the case in the U.S. where double the minutes are allowed in daytime and 23 per cent of all television advertising revenue is generated by Monday to Friday daytime television, at a cost per minute one-third that of night-time.

Both these consortia should be welcomed by advertisers and agencies, along with Channel Four and the new radio stations, as further opportunities to achieve the flexibility and competition so lacking in the broadcast media field today.

Mike Townsin is media director of Young and Rubicam.

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. . . and agencies angry

ADVERTISING agencies, and advertisers, are becoming very angry at what they consider the poor deal they are getting from ITV at the moment. After the 11 week strike the hope was that ITV ratings would quickly return to their healthy 50 per cent plus of the market. Instead, after an adequate start, they are slipping back. Viewers, forced fed with just BBC, seem to like the diet.

This is especially true at weekends and on Sunday night in particular. Up against programs like "To the Manor Born" the ITV share of ratings sometimes struggles to reach double figures. Advertisers and agencies are prepared to wait a little longer for the ITV fight back but their patience is being tested.

What makes it so much more irritating is the high price that advertisers are paying to have their commercials transmitted. This is the peak period of the year for TV advertising and what with higher rates and the inevitable back log from the strike the cost of getting on the box can be up to 70 per cent higher than a year ago. Of course the lower ratings have worsened the value.

So far advertisers are sticking with the medium. Television, at least for the best times and in the major regions, is fully booked, which means that the commercials are going out at the top cost level on the rate card. One agency doubts whether it could actually spend £200,000 if an advertiser sud-

denly wanted to invest it on television. There are no doubts about television's ability to sell — just about its cost.

Chris Ingram of media buyers CIA reckons that a company now needs £500,000 for a worthwhile national TV campaign and many advertisers are not prepared to find so much extra money. They are looking at alternative media. In practice a percentage of the budget is likely to be switched elsewhere, rather than all of it, but that should be sufficient to make television less of a sellers market in 1980. The best prediction is that the early months of the year will still be tight, with overflow money from the strike and manufacturers anxious to re-establish their brands, but by April economic factors and the bad experiences of this autumn could ease demand for time.

The ITV companies have some sympathy with advertisers. "The ratings are a bit disappointing," says Clive Leach of Trident. However he points out that it is advertising demand which creates the high prices and that furthermore, British television is still cheap by continental or American standards. He, too, envisages a more flexible market by next spring.

But just as agencies and advertisers felt the ITV companies failed to keep them informed during the strike they now believe that ITV could do more about increasing its audience. As Ray Morgan of Bentons & Bowles points out "We are handling the re-launch of The Sunday Times and are spending £1m over the next few weeks in telling Britain that the paper is back. The TV companies will be taking £100m in revenue before the end of the year and they should spend a couple of million advertising to the public telling it that ITV is back."

News in brief

- THE Daily Telegraph has appointed Lintas to handle its advertising. The agency already looks after the Sunday Telegraph and the Telegraph Magazine but for the past two years the Daily has been handled in house.
- PEDIGREE Petfoods is extending Mr. Dog, the first canned petfood aimed at small

- and toy dogs, into London, after a successful launch on Southern TV. There are 2m small dogs in London and many, apparently, are fussy eaters.
- SODASTREAM is to double its promotional spending to £1m, with advertising starting this week. The agency is Geers Gross.

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LOMBARD

Canada wants to have it both ways

BY W. L. LUETKENS

A LITTLE bit of what you fancy does you good—but not too much, please. That seems to sum up the official Canadian view of the pro-competitive effect of allowing fully foreign-owned banks to set up for business in Canada.

the Midland Bank of London, may now hope that the Midland's ownership of Thomas Cook's Canadian travel bureau need not be ended. Subject to Government discretion, the Bill provides means for sanctioning such a link either temporarily or permanently.

Government discretion also enters very largely in the case of a clause inserted by the Progressive Conservative Government. Closely held foreign banks will be licensed for three years at a time only. It does not sound like the most stable of environments. But if you talk to foreign quasi-bankers who before the election had intended to apply for bank status, you get the feeling that they are not unduly frightened. They see the provision as a stick which the Inspector General of Financial Services will then use to describe themselves as banks. That semantic burlesque has not prevented these institutions (known to the technically versed as quasi-banks or Non-Bank Financial Institutions) from taking a share of probably more than 10 per cent in Canadian commercial lending.

Closer control

In practice a number of foreign-owned financial institutions—mainly but not exclusively U.S.-owned—already flourished in Canada, though the Bank Act of 1967 forbids them to describe themselves as banks. That semantic burlesque has not prevented these institutions (known to the technically versed as quasi-banks or Non-Bank Financial Institutions) from taking a share of probably more than 10 per cent in Canadian commercial lending.

On the whole that is how bankers like it. They may curse Governments on particular issues—as who does not?—but try to fit in with official policy. So if Ottawa wants the foreign "quasi" to become the real thing, most of them will fall in.

U.S. relations

It is a moot question how nationalist the Canadians have to be about their banking. Witness the great international role of the big Canadian banks. The Clark Government has given some hints that it may seek a closer economic relationship with the U.S. than its predecessors liked. But its room for manoeuvre is narrow; and does contain several convinced nationalists. It will have to practise the great Canadian trick of benefiting as much as possible from the wealth of Big Brother, the U.S., without surrendering the Canadian identity. Having it both ways as much as possible may be the one sound policy aim.

Financial loss

They were sued by Mead Corporation when a turbine supplied from Sweden broke down. There was no question of personal injury. Financial loss alone was involved. The court held that as the Swedish companies enjoyed a "substantial revenue" from their Ohio sales, the claim against them came under the Ohio court's jurisdiction.

Having fallen into the pit of U.S. extrajudicial jurisdiction, the two Swedish companies attempted to extricate themselves with the help of the Ohio Statute of Limitations, which requires that actions for injury to persons or property must be brought within two years. The breakdown of the turbine occurred in March 1974, but the action against the two Swedish companies was initiated only in March 1977. It was a full year late. An Ohio company could have benefited from this and have the action set aside, but not a foreign company which is not present nor has a resident agent in Ohio.

Blocking the long arm of U.S. courts

THE ARM of the U.S. courts is not only very long but also exceedingly deft. This was discovered recently by two Swedish companies, Stal-Laval Turbine and Almann Svenska Elektriska. They were hauled before the U.S. district court in Ohio, though they are neither registered to do business in that state nor have a permanent agent or office there. They do, however, sell their products in Ohio and in the past 10 years had a turnover running into millions of dollars.

Statute of limitations, which requires that actions for injury to persons or property must be brought within two years.

The local Statute of Limitations provides that the period of limitation, after which no action can be brought, does not apply to a defendant not in the state. In an earlier judgment the Ohio Supreme Court held that a defendant is deemed to be out of the state if he is not available for a personal service of the summons, or of other court papers.

A foreign defendant who is neither present — in the case of a company, that means not having an office in Ohio — nor has a statutory agent there, can never benefit from the Statute of Limitations. There was no exception for the two Swedish companies and their situations became more precarious when the judge held that if the Mead Corporation could prove that it had suffered loss in direct consequence of a breakdown of the turbine, they would be strictly liable for it.

in all the states of the U.S. but they may be even worse at the Federal level if important economic interests or economic policy of the U.S. are involved. The anti-trust suit by Westinghouse against an alleged uranium cartel not only obliged the House of Lords to prevent a U.S. "fishing expedition" for Tinto Zinc, in the UK but also their rules worldwide. One of the more absurd examples was the insistence of the Federal Securities and Exchange Commission which ordered that whoever offers securities for sale to American servicemen stationed in Germany must abide by its rules.

The U.S. attempt to regulate civil aviation is probably the best known case, but the most

by means of a consent decree in which the question of guilt remains undecided—and got away with a fine of \$1m on the companies and smaller fines on the 13 individuals involved.

The shipping companies' misfortune had some useful consequences. Instead of ratifying the Anglo-American Convention for Mutual Enforcement of Judgments—feared and opposed by the insurance industry—the British government came forward with the Protection of Trading Interests Bill, which can be seen as one of the most aggressive legislative counter-offensives ever launched against the U.S. aspiration to extrajudicial jurisdiction. It provides not only that foreign judgments for multiple damages shall not be enforceable in the UK, but also enables UK companies to recover any multiple damages paid abroad from the UK assets of the foreign company which obtained them.

In addition to this offensive weapon the bill provides also for defensive counter measures which the Government can take whenever UK trading interests are threatened by foreign international trade or services. It is proposed that the Secretary of State should have powers to specify certain measures as acceptable, to oblige UK companies to notify

any requirements or prohibitions imposed on them under foreign law and to prohibit compliance with such measures.

The Secretary of State may further give directions specifying when a UK court should refuse a request for evidence made by an overseas court. Compliance of UK businesses could be enforced by unlimited fines on conviction on indictment. It is also proposed that in proceedings under the Evidence (Proceedings in Other Jurisdictions) Act 1975, UK courts should not comply with a request made by a court of an overseas country when the Secretary of State has given a certificate that the request infringes UK jurisdiction or its otherwise jurisdiction to UK sovereignty.

Finally—and there is no doubt that this will be perceived as a blasphemy by U.S. trust buster—the bill would give the Secretary of State the power to specify in an order for contempt of court, for example, which will not be recognised as a good basis for judgments enforceable in the UK.

District Court, Ohio, U.S. Mead v. Allendale Mutual Insurance Co., 465 F Supp 355.

Levy Board faces problems

THE HORSE RACE Betting Levy Board's annual report covering the 12 months ending March 31, shows the Board's revenue from bookmakers totalled £12.2m, an increase of almost £2.7m on last year. Contributions from the Horserace Totalisator Board rose by just over £200,000 to £539,476. Despite these increases, the Board's uncommitted reserves of £1.75m, leaving an uncommitted balance of £1.8m.

RACING

uncommitted reserves of the Board at the end of the financial year dropped by £1.75m, leaving an uncommitted balance of £1.8m. Sir Desmond Plummer, chairman of the Board, said, "During the period under review, the Board, with the co-operation of the Bookmakers' Committee, succeeded in eliminating levy

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

infuriated the Governments of both Australia and Canada. Nine of the foreign defendants, including RTZ, rejected the jurisdiction of the Chicago court and did not appear, but the judge held that they were liable and announced that he intended to deal with quantification of damages by Westinghouse on the 29 uranium producers including RTZ would amount to some \$6bn.

While private U.S. companies, among which Westinghouse is one of the greatest, use the long arm of American law to obtain damages and simple or even punitive treble damages, the Federal regulatory agencies go even farther and try to impose

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BBC 1

9.00 am For Schools, Colleges, 12.45 pm News, 1.00 Pebble Mill at One, 1.45 The Flumps, 2.00 You and Me, 2.15 For Schools, Colleges, 3.53 Regional News for England (except London), 3.55 Play School (As BBC 11.00 am), 4.20 Deputy Dawg, 4.25 Jackanory, 4.40 Screen Test, 5.05 John Craven's Newsround, 5.10 Blue Peter, 5.35 Paddington, 5.40 News, 5.55 Nationwide (London and South West only).

6.20 Nationwide, 6.55 Tomorrow's World, 7.20 Top of the Pops, 8.00 Blankety Blank, 8.30 Kiss the Girls and Make Them Cry, 9.00 News, 9.25 Miss World 1979, 10.30 Max Boyce in Concert, 11.10 Platform One, Victor Matthews in conversation, 11.40 Weather/Regional News.

All Regions as BBC1 except at the following times:

Scotland—10.10-10.30 and 11.30-11.50 am For Schools, 12.40-12.45 pm For Schools, 2.40-3.00 For Schools, 5.55-6.20 Reporting Scotland, 11.10 Concert Account, 11.40 News and Weather for Scotland, Wales—2.15-2.35 pm i Ysgolion, 5.55-6.20 Wales Today, 6.55-7.20

6.00 Thames News, 6.25 Help!, 6.35 Crossroads, 6.40 Sapphire and Steel, 7.30 Charlie's Angels, 8.30 TV Eye, 9.00 Fallen Hero, 9.00 News, 10.30 The Streets of San Francisco, 11.30 Camera, 11.40 The Papers Say, 12.20 am Close: Personal choice with Sydney Tafler, All IBA Regions as London except at the following times:—

1.25 pm Anglia News, 4.18 The Beachcombers, 4.45 Little World, 4.50 News, 5.10 Frontiers of Discovery, 11.00 Camera, 11.30 Power Without Glory, 12.20 am The Living World.

11.00 am Play School, 2.00 pm Tennis: Benson and Hedges Championships, 4.56-5.30 Open University, 5.40 Flash Gordon's Trip to Mars, 6.00 A Memorable Match, 7.15 Mid-Evening News, 7.25 Newsweek: NATO's Nuclear Dilemma, 8.00 The Arts of Chinese Communism, 9.00 Kelly Monteith, 9.30 Diamonds in the Sky, 10.25 Tennis: Benson and Hedges Championships highlights, 11.10 Richard Stilgou with guests Barbara Dickson, Patrick Moore, 11.35 Late News, 11.50 Close-down.

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F.T. CROSSWORD PUZZLE No. 4,126

Grid for crossword puzzle with numbers 1-28.

ACROSS 1 Pardon sailor going to clear up (7), 5 Go and leave the bank (4,9), 9 Hair used in mattresses (5), 10 Agitate feathers for a bed (5,4), 11 Matter for printing suitable legal protection of the author (9), 12 Peeble-minded person with ringleader in satellite (5), 13 Incident when woman gets wrong book (5), 15 Is entering to improve and do something offhand (9), 18 Traveller may go by as green changes (9), 19 Placed a note (5), 21 Flower of destiny to you and me (5), 23 Source of spirit and vitality in picture (5,4), 25 Type of paper that could be blank? (9), 26 Amount of drink with a student (5), 27 Pedal or trade unusually with the French (7), 28 Record socialist coming to a point (7).

DOWN 1 It may be leading item in paper (7), 2 Saturate north-eastern ship in difficulty (9), 3 Revised roles for non-winn (5), 4 Lament and content in conditions which suit some horses (4,5), 5 Set in position in factory (5), 6 Cook with wine where vapour is emitted (5,4), 7 Cook in our arms (5), 8 Fine can upset monetary affairs (7), 14 Certain to be in step and highly valued (9), 16 Saucy in eastern book but to the point (9), 17 In it I put up rota, being one who performs the first act (9), 18 Measure whip for American skunk (7), 20 Resisted with licentious upstart and was in the front (7), 22 Concise trees split up (5), 23 Plant in southern border (5), 24 Alliteration allowed in court (3,2).

Radio Wavelengths

1 103.3kHz/255m, 2 103.3kHz/275m, 3 121.8kHz/247m, 4 121.8kHz/267m, 5 121.8kHz/287m, 6 121.8kHz/307m, 7 121.8kHz/327m, 8 121.8kHz/347m, 9 121.8kHz/367m, 10 121.8kHz/387m, 11 121.8kHz/407m, 12 121.8kHz/427m, 13 121.8kHz/447m, 14 121.8kHz/467m, 15 121.8kHz/487m, 16 121.8kHz/507m, 17 121.8kHz/527m, 18 121.8kHz/547m, 19 121.8kHz/567m, 20 121.8kHz/587m, 21 121.8kHz/607m, 22 121.8kHz/627m, 23 121.8kHz/647m, 24 121.8kHz/667m, 25 121.8kHz/687m, 26 121.8kHz/707m, 27 121.8kHz/727m, 28 121.8kHz/747m.

RADIO 1

5.00 am News Summary, 5.08 Tony Brandon (S), 7.22 Terry Wogan (S), 8.00 Simon Bates, 11.31 Paul Sumner, 2.00 pm Andy Peebles, 4.21 Kid Jensen, 7.00 Talkabout, 8.00 Mike James, 8.58 Newsweek, 9.00 News, 12.00-12.50 am As Radio 2.

RADIO 2

5.00 am News Summary, 5.08 Tony Brandon (S), 7.22 Terry Wogan (S), 8.00 Simon Bates, 11.31 Paul Sumner, 2.00 pm Andy Peebles, 4.21 Kid Jensen, 7.00 Talkabout, 8.00 Mike James, 8.58 Newsweek, 9.00 News, 12.00-12.50 am As Radio 2.

WINTON

1.00-11.00 Peppercorn, 1.30-Chelsea Bar, 2.00-Joint Venture, 2.30-Royal Charles, 3.00-King Vince, 3.30-Jugador.

SOUTHERN

1.20 pm Southern News, 2.45 House-party, 3.15 Get Some In, 3.45 Terzen, 3.50 Melodrama, 5.20 Crossroads, 6.00 Day by Day, 6.30 The Squid, 10.30 Southern News, 10.55 Year West, 11.05 Police Surgeon.

TYNE TEES

9.20 am The Good News followed by North East News Headlines, 11.30 pm News, 11.45 News Headlines, 4.15 Beachcombers, 4.45 The Life and Times of Grizzly Adams, 5.00 Northern Lights, 10.30 Camera, 11.00 The Private Lives of 12.00 Soap, 12.30 am Spilogus.

ULSTER

1.20 pm Lunchtime, 4.13 Ulster News Headlines, 4.15 Little World on the Radio, 5.15 Curran, 5.20 Crossroads, 6.00 Day by Day, 6.30 The Squid, 10.30 Southern News, 10.55 Year West, 11.05 Police Surgeon.

WESTWARD

12.27 pm Gus Honeyburn's Birthdays, 1.20 pm News Headlines, 4.15 Ulster News Headlines, 4.15 Beachcombers, 4.45 The Life and Times of Grizzly Adams, 5.00 Northern Lights, 10.30 Camera, 11.00 The Private Lives of 12.00 Soap, 12.30 am Spilogus.

YORKSHIRE

1.20 pm News and Road and Weather, 4.15 Little World on the Radio, 5.15 Curran, 5.20 Crossroads, 6.00 Day by Day, 6.30 The Squid, 10.30 Southern News, 10.55 Year West, 11.05 Police Surgeon.

SCOTTISH

1.20 pm News and Road and Weather, 4.15 Little World on the Radio, 5.15 Curran, 5.20 Crossroads, 6.00 Day by Day, 6.30 The Squid, 10.30 Southern News, 10.55 Year West, 11.05 Police Surgeon.

THE ARTS

Criterion

Last of the Red Hot Lovers

by B. A. YOUNG

Neil Simon is back at his old business of making a play out of three one-act pieces using the same characters. Only one person appears throughout the evening in Last of the Red Hot Lovers. He is Barney Cashman, a 47-year-old Jewish New York fish-restaurant proprietor, and in three acts he entertains three girls in his mother's apartment. He goes there because he has a wife and family at home, but it only gives him two hours, from three to five, to make his conquests. First comes Elaine Navazio, an unemotional young woman of Polish descent who picked Barney up in his own restaurant. Barney is such an inexperienced seducer that it comes to nothing but a discussion of "mutual respect" culminating in Barney's long apology pro vita sua. Next, Bobbi Michele, a blonde, half-witted show-girl who regales him with stories of the awful sex things that almost happened to her, but spoils the show by giving him pot to smoke, so sending him into a giggling sleep from which I hope he awakes before his mother returns. And finally Jeannette, the wife of one of his oldest friends, who is into melancholia and spends the available time discussing with Barney the absence of anyone decent, gente and loving in their lives. (Challenged, Barney comes up with his wife, Jesus Christ and John F. Kennedy.) Tired of all three prey, Barney calls his wife on the telephone and invites her. Mr. Simon writes this kind of thing with much expertise, but the truth is that the whole thing could be effectively compressed into a good anecdote lasting five minutes. Lee Montague does justice to Barney, not really an interesting man, but at least decent, gentle, etc. His gradual concessions towards expert seduction (whisky first time; whisky or vodka the second; champagne the third, and so on) will do for a quick laugh, but there is no depth in the character. Susan Engel plays Elaine, a woman who sees no fault in taking her fun where she finds it, and has an acid wit that helps to pass the non-productive afternoon. Georgina Hale makes a joke of Bobbi, as if she weren't already a joke in herself. She slips not only on her s's but on her t's, an achievement I never met before. Poor Jeannette with her melancholia is played by Bridget Turner, who has a hard time keeping things going with such a down-turning act at the end. Eric Thompson is the director, and Laurie Dennett the designer.



Georgina Hale and Lee Montague

Testimonium in Israel by DOMINIC GILL

Testimonium is the brainchild of Recha Freier, who lives in Jerusalem—writer, artist and patron, amateur of wide and lively sympathies, and still today in her eighties a woman of remarkable energy and force: perhaps Israel's nearest equivalent to our own irreplaceable, irrepensible Lina Lalandi. It was Recha Freier's idea in 1966, in collaboration with the Polish composer Roman Hanbenstock-Ramati, to found a concert series in Israel consisting entirely of new works written specially for the occasion commissioned from local and foreign, Jewish and non-Jewish, composers alike. Although the theme of each series was to be specific and Jewish, each commission would relate in whatever manner its composer chose to some event or tale of Jewish folklore or history to form part of a musical "testimony" to the Jewish tradition. The wider implication was interdenominational and international: a breaking down of narrow cultural boundaries, a dialogue between composer and audience that should turn not inward but outward, a place where differing styles and cultures could fruitfully meet. During the past 13 years, in five Testimonium, new works by composers as diverse as Luigi Dallapiccola, Karlheinz Stockhausen, Lukas Foss, Iannis Xenakis, Alexander Goehr, George Roebberg, Maurizio Kagel and Leo Schidrowsky have been presented in programmes respectively entitled Jerusalem, Middle Ages, De Profundis, Lucem cum Fulgure ("The Light so it Shines," a quotation from Job) and this year, The Jewry of Spain. Under Mrs. Freier's watchful eye, and with the lively co-operation of the Jerusalem Symphony Orchestra, five more Testimonium commissions were prepared and premiered last month. The Spanish theme was very variously interpreted. Stockhausen's offering, characteristically, had the least specifically Sephardic connection—which is to say none at all, since Michael's Youth proved to be only the most recently completed paragraph of Licht, his vast 15-year undertaking which will eventually comprise an "opera" for each of the seven

British Museum

Portraits of the East

by BRIONY LLEWELLYN

This is a portrait of General Cai Shiyang, an official of the Ming dynasty of China, who surrendered to the Manchus when they invaded in 1642 and rose to an important post under the Qing dynasty. Painted in ink and colours on a silk hanging scroll by an anonymous Chinese artist of the 17th century, it is an imposing welcome to "Portraits of the East," the Oriental Department of the British Museum's latest exhibition (until January 13). The loog and diverse traditions of portrait painting in China, India and Japan are presented: courtiers look coyly across the room at emperors, princes hunt on horseback, poets commune with nature and priests with their gods. Unlike the West, China regarded the art of portraiture as subordinate to that of landscape painting. Often the subject was depicted within a landscape setting, and the value of an official portrait was primarily as an accurate likeness, stressing the subject's status for posterity. Before the 17th century, Japanese portraiture was dominated by Buddhism, although a portrait of Yorimoto, the leader of a vigorous warrior govern-

Elizabeth Hall

Violin and pianos

by MAX LOPPERS

The high point of the Stravinsky Festival recital on Tuesday was the violin and piano Duo concertant as played by Kyung-Wha Chung and Stephen Bishop-Kovacevich. The work has been reproached for unevenness: Eric Walter White's Stravinsky: The Composer and his Works (recently reissued by Faber in expanded form) refers to the "Gigue" as a "long garrulous movement." On Tuesday, there seemed no garrulity, and no unevenness. The music streamed from the platform in one long, unbroken inspiration, one of the noblest and most chaste emanations of the Stravinsky Impressionist neo-classicism. Miss Chung undertook the violin line in a spirit of rapt intensity; to the familiar fiery and vigorous articulation there was added a rare understanding of how far Stravinsky can be "interpreted" without transgression beyond the clearly formulated boundaries of his musical style. Her account of the "Dithyrambe," poised above a piano part that was both vigilant and exactly weighted, moved in phrases freely shaped, their sinuous curves irradiated with poetry; yet the free phrasing in no way betokened performer's vanity. This was marvellous playing; no less marvellous were the perfor-



A hanging scroll of General Cai Shiyang (d. 1674); anonymous.

King's Head

Desperately Yours

As if they were not being kept busy enough at the Aldwych and in the Warehouse, three Royal Shakespeare Company actresses—Paola Dionisotti, Juliet Stevenson and Ruby Wax—have put together a sharp 40-minute lunchtime entertainment that traces the history of three lonely hearts advertisements. For dramatic convenience, writer Ruby Wax gives us a mother and two daughters, although the family relationship is less important than the individual voices. Miss Stevenson is the parlour revolutionary who finds herself at Zoo meditation sessions and in prison as a result of a misfired attempt to stir fraternal passion in a Chinese take-away. Miss Wax, discovering she is short of both voluptuousness and personality, submits herself to a conditioning process in the pages of a glossy women's magazine. The bounce and fun of the show derive from the quite unequivocally satirical treatment meted out to both courses of action. Less clear is the collapse of Mother (Miss Dionisotti) from babbling matriarch into an arrested child of Nature. Both daughters end up, stripped to their underwear, covering themselves in boric gunk; Miss Stevenson empties petrol over her head as she pleads for a cause; Miss Wax, by this stage heavily into beauty culture, rolls around in plain yoghurt and, on the line "Likes romantic diners and running in the heather—no weirdos, please!" sticks a slice of cucumber in each eye. While her colleagues retire gracefully backstage after the applause, Miss Wax belts through the auditorium into the levatory. A promising, smart little debut. The director, also from the RSC, is Alao Rickman.

MICHAEL COVENEY

New York City Opera

La Clemenza di Tito

by ANDREW PORTER

La Clemenza di Tito has joined the New York repertoire, in a reproduction of the staging that Federik Mirdita did at the Theater an der Wieo for the 1976 Vienna Festival. (It was later taken up by the Vienna State Opera.) The show is not altogether satisfactory; it is not marked by the total belief in the piece that inspired the Coveot Garden production; Mirdita is responsible for a "revised scenario." But it comes nearer than any production I've seen but Covent Garden's to revealing the greatness of this opera—once second in popularity only to Mozart's pieces. Two arias have been omitted: Publius "Tardi s'avvede" and Annus "Tu feci lacrimae." Servilia's "S'altra che lacrimae" has been shifted, to become the third number of Act II where it no longer serves its function of making Vitellia examine her conscience and prompting the change of heart given expression in "Noo piu di fore"; the three big parade arias of Sextus, Titus, and Vitellia now form a strenuous sequence unbroken by Servilia's tender mouset. "Titus" "Del piu sublime soglio" is sung before the full chorus, not in coöfidence to two friends. Otherwise, recitative has been drastically abridged, and the action plays on a single set, so that the shape of Mozart's carefully planned scenes is obscured. None of this could be deemed improvement. On the other hand, the settings and costumes are classical. It is not a quiet evocation of an 18th-century spectacle, with Leopold II and his court watching. The characters are not in masks, and surrounded by ballet dancers (Barcelona); Sextus and Annus are not transposed down an octave (Aix); the dialogue is not spoken by revolutionary Prague school kids, inflamed by what was happening to Leopold's sister Marie Antoinette, at the time (San Francisco). Mirdita's production moves cleanly, directly, and sensibly, and its main faults are occasional gestural equivalents of dropping into colloquial speech, even slang: Vitellia arouses mirth by running in a very stately costume; Annus expresses stage masculinity in a cheerful-lumpkin rather than a patrician fashion. The three principals were local debutants. Carol Vaness, who sang Vitellia in San Francisco two years ago, arrived in New York preceded by a well deserved reputation. She has a bright, clear, accurate soprano, spirit, style, and a vivid stage presence. She suggested a younger and more precisely focused Carol Neblett. Ann Murray was a splendidly cogent and accomplished Sextus. Thomas Moser, a Virginian tenor who has sung Titus in Vienna, surpasses the usual incumbents in freshness of tone, fluency of coloratura, and dignity of bearing. The real Titus (according to Suetonius) was not tall; Mr. Moser is, and he makes an impressive figure. The other parts were well taken. Julius Rudel, who also conducted the Vienna performance, is an expert and polished Mozartian. Some of his tempi seemed a shade slow—outably the andante of the first finale—but most of what he did was eloquent. The set, credited in Vienna to Mathias Krahl but in New York to Lloyd Evans, is a section of heavy barrel vault unassiduously perched on eight spindly Ionic columns. Backcloth and wings are of some plain, pleasingly light stuff, not dreary, fashionable black. At times the backcloth parts like a tent flap to allow egresses before a little cutout of a Roman palace. It's a long way from neoclassical grandeur, but its openness and well planned levels suit the straightforward, unaffected production. The winners of the 1979 Whitbread Literary Awards are: The Old Jest, by Jennifer Johnston (Hamish Hamilton), for the best novel; About Time, by Peolope Mortimer (Allen Lane), for the best biography or autobiography; and Tullu, by Peter Dickinson (Collanz), for the best children's book. Each winner receives a cheque for £1,500 and either an inscribed silver box or a tankard.

Whitbread awards

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Christopher Ewart-Biggs prize

The third Christopher Ewart-Biggs Memorial Prize has been awarded to Belfast playwright Stewart Parker for his television play I'm a Dreamer Montagu, broadcast last March by Thames Television as part of the ITV Playhouse series. The announcement and presentation of the £1,500 award was made by the Taoiseach, Mr. Jack Lynch, at a reception in Trinity College, Dublin. The judges for the 1979 prize were Jaco Ewart-Biggs, Maire Cruise O'Brien, Thomas Pakenham, Maurice Schumann and Georges Sion.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC3A 4BY

Telephone: 01-253 3000

Thursday November 15 1979

Teaching the basic skills

THE CURRICULUM—what schools teach—is now the most important educational question...

Leaderless The survey which represents the Government's first step towards instituting an agreed "framework" of studies to be taught in all 23,000 State schools...

Retraining Overtly the Government could answer such a challenge by offering retraining in the "shortage" subjects to teachers who would otherwise be made surplus to requirements...

Framework Clearly the Government is right to take the lead in ensuring that all normally capable children are in future given adequate teaching in English, practical maths, at least the elements of science, a foreign language, and moral questions...

Second class citizens

THE TOTAL number of Commonwealth citizens and foreign nationals accepted for settlement in this country in the first half of this year was 34,400...

Compromise The figures come from the Statistical Bulletin of the Home Office and are gross. No adjustment is made for those accepted for settlement and who subsequently leave...

Race relations The last point is quite simple. It is that if immigration is on the wane, the key issue now is that of improving relations between immigrants and the indigenous population...

Meals on wheels MacDonalds and Burger King watch out. The British School of Motoring is on your tail and it drives a hard bargain...

Alphabet insult None of the many contenders for the U.S. presidency will be entirely flattered by the latest T-shirt and badge craze in New York. They bear the legend ABC—Anyone But Carter.

Exchange control challenge to the Stock Exchange

BY NICHOLAS COLCHESTER

FOR the last five years, cocooned within exchange controls, senior members of the Stock Exchange have conducted an endless discussion about how stock jobbers or brokers should compete in the market for international securities...

Partly because the current state of most overseas securities markets is uninspiring, the urgency seems greater in theory than in practice. British investors can now invest freely abroad...

No rush to pursue either possibility has developed, but the end of exchange controls provides an extra incentive to members of the Stock Exchange to become involved in the trading of foreign securities...

Foundation stones

The paradox is that the removal of exchange controls makes it more difficult for the Stock Exchange to allow its members to compete on equal terms with foreign security houses...

Combination possibility It is possible that jobbers and brokers could combine to form an ID. An ID would not be covered by the Stock Exchange's compensation fund...

MEN AND MATTERS

Light fingers on the buttons

While the world catches its breath again after last week's computer error in the Pentagon—the one that could have resulted in us all being reduced to Hiroshima-style, to mere shadows of our former selves—it is less than reassuring to learn that our destiny is in part controlled by machines with the brain capacity of earwig...

Saying 'when' The non-drinking, non-smoking President Moi of Kenya has gone too far in his praise of the BSM and this relates only to the most sophisticated computers. In the circumstances, it is obviously a good thing that our electronic brothers should be in safe hands and disquieting to learn that, all too often, they are not...

Crossing a banker Dr. Otmir Emminger, outgoing president of the West German Bundesbank, has become a dab hand at fending off international attacks on his rigorous credit policies, widely regarded as making a suitable contribution to economic stagnation elsewhere...

Alphabet insult None of the many contenders for the U.S. presidency will be entirely flattered by the latest T-shirt and badge craze in New York. They bear the legend ABC—Anyone But Carter.



Some of the senior Stock Exchange members in the debate: Mr. Peter Stevens, Laurie Milbank, Mr. David LeRoy-Lewis, Alroyd & Smithers, Mr. Ralph Vickers, Vickers, da Costa; Mr. John Robertson, Wedd Durlacher Mordant; Mr. John Powell, Laing & Cruickshank.

an iron curtain between the domestic securities market, where British "single capacity" would continue, and the foreign markets where the foreign "dual capacity" approach was necessary.

But by the time the council members convened, exchange controls had vanished. There was no longer any difference between domestic and international securities or investors.

Despite the exchange control problem, the front runner remains the idea that SE members should be allowed to form subsidiaries called International Dealers. An ID would be a firm for which the usual distinction between broker and jobber did not exist.

Threatened breed

This state of affairs has become steadily more worrying for the Stock Exchange because jobbers appear to be a threatened breed. Only 14 firms are left, where there were 100 in 1960.

High office Jack Valenti—in England to address the Cambridge Union—is one of Hollywood's longest surviving moguls, having ruled the roost in the Motion Picture Association of America since 1968.

For years the Stock Exchange Council has been toying with schemes to allow members to act in dual capacity—make markets directly to investors—in foreign securities.

Men and matters these are only the ones we know about. Wong has been investigating the various forms of the sport in Britain and says that they vary from sophisticated interference with the technology to the simple fire that mysteriously sweeps the computer room and destroys all evidence of a business transaction.

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Committee followed committee and idea followed idea, until last year a note of desperation was beginning to creep into the memos being set before the Council. In August, 1978, the chairman observed: "We have received and debated 17 reports from 10 committees and have so far not reached a conclusion."

Part of the problem is that the debate concerns only a small amount of business for a small part of the membership. Figures are hard to come by, but the invisible earnings of the exchange last year, which are a rough yardstick for overseas business, were about £20m, while the gross income of the exchange membership was £270m.

Furthermore, brokers already possess a fair amount of leeway in their operations in overseas securities. They are allowed to make markets in overseas shares via overseas subsidiaries.

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Men and matters these are only the ones we know about. Wong has been investigating the various forms of the sport in Britain and says that they vary from sophisticated interference with the technology to the simple fire that mysteriously sweeps the computer room and destroys all evidence of a business transaction.

Crossing a banker Dr. Otmir Emminger, outgoing president of the West German Bundesbank, has become a dab hand at fending off international attacks on his rigorous credit policies, widely regarded as making a suitable contribution to economic stagnation elsewhere...

Alphabet insult None of the many contenders for the U.S. presidency will be entirely flattered by the latest T-shirt and badge craze in New York. They bear the legend ABC—Anyone But Carter.

international securities which had developed in London. They proposed the minimum solution to the problem. They felt, not without dissent, that the International Dealer would act as a "trojan horse" which would introduce dual capacity into the dealings in gilts and domestic securities.

This idea undoubtedly had an artificial flavour to it and has since been threatened by the challenge to the Stock Exchange's rules posed by the Office of Fair Trading. The shadow of the OFT has, indeed, added a new dimension to the debate. While the Stock Exchange intends to defend the linked principles of single capacity and fixed commissions at home, the exchange clearly feels itself on shakier ground when it comes to placing restrictions on the ways its membership may compete abroad.

Threatened breed

This state of affairs has become steadily more worrying for the Stock Exchange because jobbers appear to be a threatened breed. Only 14 firms are left, where there were 100 in 1960.

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Officials were less worried about this "shakiness" while exchange controls rigorously separated domestic and foreign business. But now that the great divide has been removed it will require some legal agility to argue that what is vital in one area of security trading is not so vital in another.

This is a brief summary of the minutiae of the debate that is now causing turbulence in the upper reaches of the Stock Exchange. To the membership in general it all seems rather arcane. There are firmly established traditional brokers, with a secure slice of the traditional domestic market, to which the whole question appears a storm in a teacup.

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Advertisement for Extel, featuring the text 'For COMPANY INFORMATION the easy way', 'Ask Extel - the Experts', and a list of services including Extel Cards, Extel Company Fact Sheets, Companies House Searches, and Overseas Companies. It includes contact information for Extel Statistical Services Ltd. and a logo with Arabic text.

ECONOMIC VIEWPOINT

An economy awash with money

THERE IS reason to doubt whether any kind of money, which is merely convertible into other pieces of paper, and not into commodities of real value, will be permanently in a non-inflationary way. Long periods of price stability have in the past been associated with gold or silver standards; and the restrained growth of the total supply of notes and bank deposits was based not on government rules, but on the fact that they were ultimately convertible into bullion.

authorities in roughly the right direction, with however many lurches and mistakes en route. Nor should we be confused about the politics of the operation. Lord Lever is not alone on the Labour side in welcoming exchange control abolition. An overseas central banker who recently spoke to Mr. Denis Healey is convinced that the ex-Chancellor would also have liked to abolish the control, but was unable to do so because of union opposition.

that nearly every other measure of the money supply has been growing in nearly every relevant period faster than the target measure "Sterling M3".

Nor is it surprising. There are always incentives to increase the supply of those financial assets which the authorities are not controlling. The Bank of England has an unpublished adjusted measure of "Sterling M3" which takes into account, for instance, sterling acceptances with which banks have been channelling their lending to escape control. This was already exceeding the Government's 11 per cent ceiling even before the October figures were known. It therefore only took one bad month for even the massaged official total to shoot outside the official guidelines.

A given money supply target has to require a supporting combination of Government borrowing in interest rate markets. It is clear in retrospect that the borrowing and interest rate courses set in the June Budget were incompatible with the monetary objectives. While many in the City would like to put the blame on Government borrowing, the evidence suggests that interest rate errors were a hundred times more important.

A pattern of interest rates which was appropriate in early June could not possibly be appropriate today. The rate of inflation in OECD countries has risen from barely 5 per cent in 1978 to 10 1/2 per cent in the last 12 months and nearly 13 per cent (at annual rate) in the latest six months. We might still have been able to avoid rising British nominal interest rates if sterling had risen. But the effective exchange rate for sterling has lost all its gain

since the summer and a few days ago was somewhat below what it was at the time of the Budget. Since then it has recovered a little ground on expectations of today's package. It is no use putting the blame on the rise in U.S. interest rates as the Chancellor did in a Parliamentary Answer last week. The rise in U.S. rates reflects the acceleration in the U.S. inflation rate, which has not been offset by any trend rise in sterling against the dollar. It is not necessary to argue that

17 1/2 per cent to the year to this November. Even borrowers who pay well above the clearing banks' base rate will still be paying a barely positive real rate of interest. The contention that real interest rates are low is apt to produce an explosion from businessmen, especially the small businessman in whose hands our salvation is supposed to lie. He has grounds for complaint, although different to the ones he supposes. A loan carrying a nominal interest rate of say 17

indexed loans. To oppose them because they recognise inflation is like continuing to knock one's head against a brick wall in the hope that the wall will go away. As Mr. David Wilkie, the economic research manager of Standard Life, forcefully pointed out, non-indexed long-term stock would cost the Government a real 13 per cent to service if inflation suddenly disappeared. This itself is an almost insuperable obstacle to price stability. With an indexed stock the Government's vested interest in inflation would wither away. But where were Standard Life and the other institutions when some of us first put forward the case for indexation way back in 1974?

have more sympathy for the Bank of England's anguish at Prime Ministerial intervention (a regular feature of crisis weeks whatever the name or the sex of the Premier) if it had not some years ago taken the initiative to break this automatic link.

This is a detail. The more important point is that it is no longer possible to control the money supply—if it ever was—by operating on one definition of money. There is a touching essay by Prof. Phillip Cagan, a distinguished former collaborator of Prof. Milton Friedman's, in which he explains how new means of payment have been brought into existence to by-pass the prohibition of interest payments on "demand" (in English "current") accounts and to by-pass the reserve requirements of the Fed.

fed with the going world rate of inflation in traded goods as the best achievable, their aim should be to maintain the present effective sterling exchange rate. (If they would like to do better there should be an appreciation objective.)

The way to achieve this target would not be direct intervention to peg the exchange rate. On the contrary both monetary targets and floating exchange rates will still be needed. If sterling depreciates, it will be a sign that the monetary targets are either too lax or being by-passed. If sterling appreciates (more than it is meant to) it will be a sign that monetary policy is a bit tighter than intended.

At a time of rapid innovation in money-substitutes and near money, and when currencies are free to cross the frontier, the movement of sterling is the best check on the appropriateness of monetary targets and the realism with which they are being followed. Watch the OECD inflation rate. Watch the exchange rate. And above all watch how labour markets are reacting to the resulting pressures and expectations—which they do better the more decentralised their operation and the less "guidance" they are given.

Mr. Moss Evans's men may not worry about the difference between the real and effective exchange rate or between broad and narrow money; but they are certainly quick to cotton on when too many pounds are being created. Which is why Sir Geoffrey will be getting up with his first "non-Budget" this afternoon.

Contemporary Economic Problems, American Enterprise Institute, Washington DC, 20036.

Samuel Brittan

MOVEMENTS OF MONETARY AGGREGATES

(per cent increases at annual rates)

Table with 4 columns: Monetary Aggregate, 3 months to Sept., 6 months to Sept., 12 months to Sept. Rows include Notes and coin, Retail M1, Sterling M3, M4, M5.

Source: W. Greenwell & Co.

the peak rates of sterling reached temporarily in the summer were a "good thing" or a bad. They were quite incompatible with current wage movements and would have brought about, if they had lasted, a very sharp shock which might either have brought inflation down quickly or pushed the Government into the much discussed U-turn.

per cent is a genuine burden. But this is because 17 per cent of the capital is being repaid in the first year under the guise of interest payments. So the initial servicing charge is abnormally large, even though the borrower gains over the lender after the whole transaction has been completed.

By abolishing exchange control, which was by far its best and most important economic art since assuming office, the Government has at least removed obstacles to the appearance of an alternative monetary standard. People can now make contracts and agree to settle debts in Deutsche-marks, Swiss francs, gold or any kind of fancy certificate they like. Sterling will have to earn its keep if it is to remain the main currency inside the UK, let alone in many international transactions.

Incentive

This will be a far bigger incentive to wise monetary management than any number of rules, promises or undertakings. If the abolition of exchange controls has brought forward today's measures to curb the issue of domestic money, this is a point in their favour, not against them.

AS, HOWEVER, it will take some time for non-inflationary commodity based currencies to emerge and force the money ones to perform better. It is necessary to ask what has gone wrong recently with the management of the sterling money supply. The repeated lapses in monetary control, towards the end of 1977, in the closing months of the last Government, and now under the Conservative, do not reflect eternal verities about paper money. They reflect a preoccupation with controlling the measuring rod rather than the thing itself. It is as if a doctor were to try to reduce a patient's temperature by playing about with the thermometer.

Politicians can blame the Bank of England and their own officials for the weaknesses of the control mechanism, while the latter can retaliate by stressing the dislike of politicians for "high" interest rates. Both are right about each other.

So far from being subject to the "savage deflation" of some political imaginations, the economy is awash with money. The table with this article shows monetary growth rates up to September, before the recent worsening. Even so it reveals

Letters to the Editor

Sell off Shotton

From Mr. T. Summers. Sir—Dr. Kay (November 12) is quite correct to draw attention to British Steel Corporation's loss of market share particularly in strip-mill products. When nationalisation took place in 1967 imports were less than 10 per cent of UK consumption of strip-mill products. By 1978 that figure had reached 44 per cent which represents a loss to BSC of more than 1m tonnes of output per year. There are no exports markets that can offer a viable alternative outlet for the sort of tonnage and thus BSC is faced with excess capacity and a substantial loss of revenue.

Free collective bargaining

From the Director General, Engineering Employers' Federation. Sir—The reference in your review "An expensive lesson in free collective bargaining" (November 6) to the recent engineering settlement is misleading. The settlement was far from being a "defeat for the Federation".

The Confederation of Shipbuilding and Engineering Unions wanted to buy something—a shorter working week—for which it was prepared to pay very dearly. Everything has its price and the price paid by the CSEU was considerable.

The claim was for one hour less per week now and five hours less by 1982; the settlement provides for one hour less in 1981/1982 and no more claims until 1983/1984 at the earliest.

The Engineering Employers' Federation had offered a working party to review certain conditions in the industry including the desirability of harmonisation between staff and manual workers. The settlement co-opts no more than could reasonably have been expected from such a working party. There is a commitment to raise productivity in the meantime to offset the costs of the one-hour reduction in November 1981.

In future, new national rates will come into effect on the dates of local settlements. This is a major improvement on the old practice of two unrelated increases a year—one national and one domestic.

Differentials between skilled, semi-skilled and unskilled people are being widened. This should help to relieve some of the skill shortages in the industry.

Abolish CTT

From Mr. P. Milne. Sir—The abolition of all exchange controls has some interesting implications for our taxation system. Tax evasion, we are told, has not been the problem in the UK it is elsewhere. We are less disrespectful of our laws than other peoples, but the present degree of compliance with tax laws also reflects the belief that the Inland Revenue catch up individuals from time to time. Now that private capital can freely cross the Channel it will be appreciated that the risk reward ratio of tax evasion has improved immeasurably in favour of the reluctant taxpayer.

Putting numbers on the possible future loss of tax revenue is of course nearly impossible. Anyway, in the case of income tax, the slice represented by tax on disposable capital is a very small part of the total and inflation will ensure the total continues to rise. The potential loss to capital transfer tax, however, could conceivably be such as to call into question the wisdom of keeping the tax. The Tories were originally pledged to abolish CTT and, following the demise of exchange controls the case for

for dismissing the settlement as a defeat for employers. A. F. Frodsam, Broadway House, Tothill Street, SW1.

Theft in shops

From Boroness Phillips. Sir—I am sorry that Mr. Frank Pegg (Men and Matters, November 9) dismisses the notifying drop in shop theft figures by suggesting that these are due to shopkeepers being reluctant to waste time in court.

One of the reasons for the lower figures are the active local groups of shopkeepers getting together to prevent theft. Does Mr. Pegg not even believe the Home Office figures now?

PHILLIPS Association for the Prevention of Theft in Shops, 303/304 Ground Buildings, Trafalgar Square, WC2.

No majority at all

From Mr. L. McLeon. Sir—Mr. Robert Nott (November 10) is too kind to the five MPs chosen to take part in the Labour Party enquiry, in terms of their election performances. When he talks about majorities, he means the winning candidate and the runner-up. Between 1974 and 1979, however, Miss Lester's vote fell from 49 per cent to 43 per cent of the votes cast, and Mr. Benn's fell from 49 per cent to 45 per cent. Neither of them really had a majority at all, in the sense that more people voted against them than for them.

And what say did the Labour supporters of Eton and Slough, and Bristol South East have in selecting their candidate? Precious little, I fancy.

All this points up a serious defect in our electoral system. It would be corrected by the use of proportional representation using the single transferable vote method. This ensures that we even if we do not get the candidate of our choice, at least we are assured that our second, third, etc., preferences really count in the final shake-up. And in a multi-member constituency we are almost certain of getting at least one MP of our chosen party. Extremists would thus rarely, if ever, be elected. Larry McLean, 84, Codsall Road, Tettenhall, Wolverhampton, West Midlands.

Mark-ups in fashion

From Mr. R. Stacey. Sir—in an otherwise excellent article on fashion retailing (10 Nov.) Lucia van der Post did a grave dis-service to retailers and their customers when she stated "Stores tend to buy for £10 and sell for £23 giving a 56 per cent return." This statement not only disregards the impact of VAT (in this case £3 is payable, so reducing the return to 43 per cent of the total charge) but quotes a figure more appropriate to a speciality shop in the West End of London than the average shop in the High Street.

Our experience is that to compete with departmental stores and multiple shops the garment costing £10 must be sold for about £21 to give a return of 38 per cent on what the customer actually pays. Admittedly this is a significant increase on the one-

third mark-up of a decade ago, but how else would the retailer meet the increased cost of the introduction of the 5-day week; equal pay (shop assistants were notoriously poorly paid); additional paid holidays; increased per cent NHI contributions; and the cost of VAT collection.

There is no lack of competition in fashion retailing, and significant reduction of mark-up would and could only be met by reducing choice and standards of service. R. B. Stacey, Barclays of Harant, 39, West Street, Horsham, Hants.

Queueing for a ticket

From the Managing Director, Connelly-Manton Direct Mail. Sir—No commuter condemned to the daily horror of alighting at the quite appalling Victoria station could fail to agree with every word of Mr. Brian Shenton's letter of November 10.

But one important point he omitted to mention: the problem of the unfortunate suburbanite who has the misfortune to need a ticket. No machines—and not even any separate windows for suburban tickets. He will be required to join a queue apparently composed entirely of foreign visitors with limited command of English who are all evidently seeking to pay for their tickets by cheque or Barclaycard. The time spent in the queue will certainly be longer than the time for the journey to East Croydon—even when trains are being delayed by staff shortages and faulty rolling stock.

Lawrence Connelly, St. Margaret's Monks, 33 Victoria Street SW1.

Scotland's future

From Miss I. Cassidy. Sir—As your illuminating article on the dangers facing industry in Scotland (November 9) clearly indicates, in 1980 we are likely to see further industrial closures in Scotland, and a consequent fearsome rise in unemployment there. As a means of partially alleviating the situation the current trend of thought tends to favour introducing assembly plants (mainly based on foreign capital and ownership) in substitution for Scotland's inbuilt engineering and manufacturing skills, and subsequently concentrating on providing technical training centres for students who will ultimately be exercising their skills elsewhere.

In other words, creating a scholastic clearing-house for technological training, allied to a power house for the provision of energy for export to manufacturing and other commercial activities situated outside Scotland—a blueprint for a country of factory fodder and robots. Is there no hope and inspiration to be held out to young Scots to encourage them to work in and be proud of their wonderful heritage of engineering genius and culture? Must they resign themselves to a second time round version of the Clearances? Offering migration from their homeland as their only prospect of a fulfilling and useful existence would prove a sorry ending to the saga of the Scots. There must be more to it than this. (Miss I. Isabel Cassidy, 30, Chadwell House, Halton Road, NI.

Today's Events

- GENERAL: UK: Second day of Financial Times conference on change in the economy... European Parliament in session, Strasbourg. PARLIAMENTARY BUSINESS: House of Commons: Second reading of the Protection of Trading Interests Bill... OFFICIAL STATISTICS: Consumers' Expenditure (3rd quarter)—2nd preliminary estimate. UK banks' assets and liabilities and the money stock (mid-October). London dollar and sterling certificates of deposit (mid-October). COMPANY MEETINGS: Atlantic Assets Trust, 1, Charlotte Square, Edinburgh, 12, Independent Investment, 1, Charlotte Square, Edinburgh, 11.55, Thomas Walker, Midland Hotel, Birmingham, 12. COMPANY RESULTS: Final dividends: Anglo Scottish Investment Trust, Atlanta, Baltimore and Chicago Regional British Sugar Corporation, LWT Holdings, Manganese Broeze Holdings, W. Tyack Sons and Turner.

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Thomas A. Cook, Representative Manufacturers Hanover Trust Company Avda Antonio Augusto Aguiar #24 Lisbon, Portugal Tel: 55-78-16

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Woolworth level after third quarter setback

A DROP of 33.9 per cent to 26.9m in third quarter 1979 profit, before tax, is announced by F. W. Woolworth, the stores group with over 1,000 outlets in the UK and overseas. This eliminates the gains shown at half-time and leaves the nine-month total virtually unchanged at £23.17m, compared with £23.08m.

Third quarter trading profit after depreciation was down by 21.5 per cent to £23.9m and at the nine months stage shows a rise of 18.2 per cent to £23.21m. This was further eroded by a jump of almost £3m in net interest charges, reflecting higher market rates and a growing level of borrowing.

Compared with an 11.5 per cent increase at half year nine month turnover rose by 10.5 per cent to £66.47m and trading profit as a percentage of this amounted to 4.3 per cent (4.2 per cent). Turnover excluding VAT came out 7.5 per cent higher at £60.42m.

Turnover (inc. VAT) — 66,471,526
 Product VAT — 56,056,345
 Lessing — 600,415,828
 Trading profit — 28,531,318
 Depreciation and amortisation — 7,717,670
 Net interest paid — 6,221,324
 Rent income — 1,129,107
 Sundry income — 152,432
 Profit before tax — 23,170,234
 Taxation — 8,270,285
 Net profit — 13,904,147.9

Exchange loss — 800,808
 Balance 13,103,339

The directors report that the lower levels of turnover referred to at the interim stage continued through the third quarter. The lack of TV advertising in that time also had an effect upon turnover performance, they

BOARD MEETINGS

The following companies have notified details of board meetings at the Stock Exchange. Meetings are usually held for the purpose of considering dividends. Official indications are given as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's statistics.

TODAY

Interim: John Beales, Black Arrow, Boco, British and Commonwealth Shipping, Calsonic Investments, Arco Hinton, Leopold Joseph, Lead Securities Investment Trust, J. N. Nichols (Vint), Scottish Homes Investment, Vale, Witton Investment.

Final: Anglo-Scottish Investment Trust, Adams, Balfour and Chicago Regional Investment Trust, British Industrial and General Investment Trust, British Sugar, Orlowski West, Dunne, Minnie, LMF, Manganese Bronze, Morland, W. Tyzack.

FUTURE DATES

Interim: Nov. 15
 Billm (J.), Nov. 15
 Bulmer (H.P.), Nov. 15
 Cambria (I.P.), Nov. 15
 Eclwick-Hopper, Nov. 15
 Ferguson Industrial, Nov. 15
 Gann, Nov. 15
 Gilbey Investment Trust, Nov. 15
 Milbury, Nov. 15
 Monica Investment Trust, Nov. 15
 National Refractories Houses, Nov. 15

Final: Dec. 11
 Bagebridge Brick, Dec. 11
 Chamberlain Investment Trust, Dec. 11
 RCF, Dec. 11
 Yorks. and Lancs. Inv. Trust, Nov. 21

However, evidence was shown of recovery in consumer spending at the end of the quarter and the directors expect a more buoyant period up to Christmas.

At the attributable level profits for the nine months come through at £13.1m compared with £13.87m, and earnings per 25p share are stated at 3.66p (3.88p).

OCL heading for sharp fall this year and next

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE PROFITS of Europe's biggest container shipping company, Overseas Containers, are expected to fall sharply this year and next, because of fierce competition and growing overcapacity on its major routes.

In their latest shipping review, stockbrokers Phillips and Drew forecast that OCL's pre-tax profits will fall by nearly a third to £27m in 1979/79.

For 1979/80 they predict that profits will fall still further, to £18m. This compares with peak pre-tax profits of £33m (before exchange rate losses) in 1978/77.

OCL is one of the biggest container shipping groups in the world and is owned by four UK shipping companies—P and O, Furness Withy, Ocean Transport and British and Commonwealth Shipping. Last year OCL accounted for more than half the

total profits of these companies. Phillips and Drew cite two main reasons for the expected sharp fall to OCL's profits. Over the next couple of years the world container fleet is going to increase by nearly 40 per cent as companies take delivery of ships now being built.

This compares with the OECD's forecast of a 8 per cent and 2 per cent growth in world trade in 1979 and 1980 respectively. As a result the growth of the world container fleet will be considerably in excess of the growth in cargo. The brokers conclude that the existing overcapacity is likely to worsen considerably.

OCL has been trying to charter out two of its older container ships surplus to its requirements—Moreton Bay and Discovery Bay. However, because of the

depressed state of the market both vessels have been laid up in Bristol for the past few months.

OCL is also facing fierce competition from non-conference operators on its important Far Eastern routes, according to Phillips and Drew. The Trans-Siberia railway, where rates are up to 60 per cent below those charged by OCL, is taking a growing share of European-Far Eastern container traffic.

In addition, OCL is also facing growing competition from rival container shipping companies which operate outside the liner conferences that agree rates. The Evergreen Line, for example, started transporting containers from Europe to the Far East in May and now offers capacity equivalent to 15-20 per cent of that supplied by OCL.

CHARTER CONSOLIDATED LIMITED

SCHEME OF ARRANGEMENT AND RELATED TRANSACTIONS

At meetings convened under the direction of the High Court of Justice of holders of the fully paid shares, the partly paid shares, and the loan stock of the company held today the Scheme of Arrangement was approved by the requisite majorities. The votes cast in person or by proxy were as follows:

	Number of Votes For	Number of Votes Against
Meeting of holders of fully paid shares	18,005,186	27,399
Meeting of holders of partly paid shares	158,400	—
Meeting of holders of loan stock	1,018,871	702

At the extraordinary general meeting of the company also held today the resolutions necessary to give effect to the Scheme were duly carried.

In view of the interest of Anglo American Corporation of South Africa Limited and De Beers Consolidated Mines Limited in the proposals they abstained from voting at the relevant meetings.

Accordingly, a petition to sanction the scheme has today been presented to the High Court of Justice. This is expected to be heard by the Court on Monday 3 December 1979, after which a further announcement will be made.

By order of the board
 D. S. Booth
 Secretary

Registered Office:
 40 Holborn Viaduct
 London EC1P 1AJ.

14 November 1979

EMAP soars 75% midterm

AIDED by the strength of sterling, stability of newsprint costs and earlier than planned increases in advertising rates and cover prices, taxable profits of East Midlands Allied Press rose from £14.505 to £16.5m in the 28 weeks to October 13, 1979.

But economic conditions in the UK seem certain to be less favourable in the second half, warns Mr. Frank Rogers, chairman, adding that he does not believe the group will enjoy the same level of profit growth as it experienced between April and October.

An interim dividend of 1p compares with a payment last time of 0.85816p, adjusted for a one-for-three scrip issue made in July, 1978. Last year's adjusted total was 1.72535p on pre-tax profits of £2.1m.

The directors propose in future to pay a greater proportion of the year's dividend in the form of a final dividend. Subject to the achievement of satisfactory results, they intend to recommend a final in excess of 1p.

The surplus this time is struck after an increase in investment income from £4,000 to £58,000 and lower interest of £22,000 (£32,000). Tax takes £660,000 against £354,000 and earnings per 25p share are shown to have increased from an equivalent 3p to 5p.

Turnover for the period rose from £12.6m to £16.2m. Each of the group's four divisions improved, the greatest increase coming from provincial newspapers, where advertising revenue was up by 28 per cent, sales revenue by 17 per cent, and advertising volumes by 9 per cent.

The results include those of the Melton Mowbray Times Company, for 15 weeks. The company was acquired on June 30 and printing of the paper has been transferred to the Kettering

Press. The small jobbing section at Melton has been closed and improvements are planned to the new vacant property.

Improvements in national publications were shown by a slight fall at Gordon News, due largely to poor weather conditions early in the year, and the effect of the commercial television strike on the launch of Match Weekly.

Another new publication, Steam Railway, has got off to a good start and produced an acceptable level of profit.

The halving of last year's losses at East Midlands Litho Printers helped the advance of the contract printing division and it is anticipated that by the year end the litho company's position will be further improved.

On the retail side, the group's travel companies produced record profits—another branch will be opened in Leicester in December.

Two more newspapers are planned for Felkstone and Woodbridge in the near future.

PRE-TAX profits of Chamberlain and Hill, light grey iron toner, fell from £22,482 to £13,023 for the six months ended September 30, 1979, despite a rise in turnover to £4.53m against £3.97m.

Profits for 1978-79 were a record £753,290.

As indicated in the annual review, further difficulties were expected with the introduction of new types of work, particularly at the Liebheld foundry, and although considerable improvements have been made in that direction, the impact on first half results was substantial.

Also reflected in the lower profit level is the slackness in demand for some of the group's non-foundry products from Condit fittings.

However, the directors say that recent experience has been more encouraging and this, coupled with an increasing contribution from Solenoids and Regulators, should lead to significantly better results in the second half, provided there is no serious deterioration in trading conditions.

The net interim dividend is effectively increased to 1.1p (10.88p) per 25p share—last year's final payment was 1.148p—and will absorb £37,420 (£30,595).

Chamberlain & Hill downturn

Folkes Hefo up £0.2m halfway

A RECOVERY from a had start meant that pre-tax profits of John Folkes Hefo, the engineering group, were ahead from £1.51m to £1.71m for the first half of 1979, on turnover of £36.03m, against £31.8m.

The directors explain that profitability in the first two months of the year was eliminated due to the transport strike and bad weather.

However, having recouped this shortfall, progress is continuing in the second half, despite the effects of the engineering strikes on production and sales.

The net interim dividend is increased from 0.45p to 0.5p per 5p share—last year's total was 1.5299p on £3.9m taxable profits.

No-taxis shown in the interim figures as the directors say the charge will be affected by stock relief and other items, which will not be assessed until the year-end.

The company has agreed to purchase Park Webb Forgings for £700,000 and Folkes is expected to benefit immediately from increased turnover resulting in higher margins.

The directors state that when the plant is installed at Kidderminster, the company should have one of the best open-pit forges in Europe.

Pre-tax margins at John Folkes Hefo have been maintained despite the £400,000 shortfall in budgeted profits during January and February. Around half of this has since been recovered and, even with the engineering strike taking another £200,000 out of second half earnings, the group looks set for record profits of around £4.1m. With currency losses holding back progress in the steel division and both engineering and building supplies in the "holdrooms" most of the impetus derives from recovery in the housing and forging side. Forging has been further strengthened by the acquisition of Park Webb and should make £1m next year. With borrowings being reduced by around £1m this year (and perhaps another £1m next) the balance sheet is in good shape. At 25p, the share trades on a p/e of 3.5 (assuming

Nelson David boosted in second half

A second half jump from £41,409 to £121,198 has lifted the taxable surplus of Nelson David to a record £169,196 for the year ended March 31, 1979, compared with £60,409.

And, this vehicle retail and repair group has returned to the dividend list after a seven-year absence, with 0.5p net per 5p share.

Turnover for the year finished ahead at £3.27m (£7.52m). Pre-tax figure was struck after interest of £132,904 against £123,327.

Statutory earnings are well up at 2.99p (0.52p) per share.

comment

The directors propose in future to pay a greater proportion of the year's dividend in the form of a final dividend. Subject to the achievement of satisfactory results, they intend to recommend a final in excess of 1p.

The surplus this time is struck after an increase in investment income from £4,000 to £58,000 and lower interest of £22,000 (£32,000). Tax takes £660,000 against £354,000 and earnings per 25p share are shown to have increased from an equivalent 3p to 5p.

Turnover for the period rose from £12.6m to £16.2m. Each of the group's four divisions improved, the greatest increase coming from provincial newspapers, where advertising revenue was up by 28 per cent, sales revenue by 17 per cent, and advertising volumes by 9 per cent.

The results include those of the Melton Mowbray Times Company, for 15 weeks. The company was acquired on June 30 and printing of the paper has been transferred to the Kettering



THE SOUTH AFRICAN BREWERIES LIMITED
 (Incorporated in the Republic of South Africa)

Interim report

for the six months ended 30 September 1979

COMMENT

EARNINGS
 Earnings per share for the six months to 30 September 1979 improved by a satisfactory 22% to 9.69 cents (1978: 7.64 cents). The economy showed distinct improvement in the quarter ended September and, in line with this, Group turnover grew in the quarter by 22% as compared with 19% in the first quarter of the financial year. The increase in real activity, together with improved productivity, enabled profits to grow at a faster rate than turnover.

The Beer Division achieved very satisfactory growth in both sales and profits, while, in a depressed wine and spirit market place, Steffenbosch Wine Trust Limited maintained profits on a relatively modest sales increase.

All other Group subsidiaries reflected excellent results.

DIVIDEND
 In the light of the improved results it has been decided that the interim dividend will be increased from three to four cents per share.

NEW DEVELOPMENTS IN THE LIQUOR INDUSTRY
 The SAB Group and Rembrandt have concluded an agreement to regroup their respective liquor interests with immediate effect.

The two groups will merge their wine and spirit interests and the KVV will participate in the merged company. It is the intention that SAB, Rembrandt and the KVV or Wine Farmers each hold one third of the equity of the merged company. It is the further intention that the merged company issue the day to day management of this wine and spirit company. SAB will acquire from Rembrandt that company's beer business. Both SAB and Rembrandt will maintain their direct interests in liquor retailing but it is their intention to phase out of these activities over time.

The regrouping referred to has been motivated by a need to bring stability to an industry which is beset with economic problems at primary producer (wine farmer) and retail levels and will improve the use of the industry's resources and in so doing, bring about benefits to the consumer. The Authorities have indicated their agreement to the various arrangements. It is anticipated that the merger and acquisition referred to will have a favourable impact on the SAB Group affairs. SAB's liquidity will improve by some R20 million arising from the settlement of the various purchase considerations payable. The effect of the new developments on SAB's net asset value and on its earnings per share during the current financial year is not expected to be material. However, rationalization benefits should enhance earnings in the ensuing year.

Application has been made to The Johannesburg Stock Exchange and The Stock Exchange London for the reinstatement of dealings in SAB's ordinary shares from Wednesday, 14 November 1979.

FUTURE PROSPECTS
 Your Directors anticipate that the level of economic activity now being experienced will be maintained and, accordingly, expect a satisfactory increase in attributable Group profits in the second half of the financial year.

FINANCIAL RESULTS
 CONSOLIDATED INCOME STATEMENTS
 The unaudited results of The South African Breweries Limited and its consolidated subsidiaries for the six months ended 30 September 1979 are as follows:

	Six months ended	Six months ended	Rate of improvement	Year ended
	1979	1978	79 vs. 78	1979
Turnover	868 194	743 673	167	1 609 067
Operating profit before interest and taxation	56 840	45 834	24.0	130 262
Net interest paid	11 245	9 655		20 304
Taxation	45 595	36 179		109 958
	18 252	15 022		41 748
	27 343	21 157		68 210
Dividend income and attributable net earnings of associated companies	3 184	3 226		6 755
Profit after taxation	30 527	24 383	25.2	74 965
Additional replacement cost depreciation	1 265	1 290		2 578
Attributable to ordinary shareholders	5 992	4 151		11 614
Preference dividends	1 721	2 051		3 892
Attributable to ordinary shareholders	21 549	16 891	27.6	56 881
Extraordinary items	240	263		(371)
Ordinary dividends	8 896	6 672		26 689
Retained earnings	12 893	10 482		29 821
Earnings per ordinary share (cents) (after additional depreciation)	9.69	7.64	25.8	25.66
Dividend per ordinary share (cents)	4.00	3.00	33.3	12.00
Ordinary shares in issue (000's) (effective numbers on which calculations are based)	222 405	220 975		221 690

FINANCIAL RESULTS (Continued)

	Six months ended	Six months ended	Year ended
	1979	1978	1979
Dividend per cumulative preference share (cents)	30.979	30.978	31.379
6.2% convertible redeemable	6.2	6.2	12.4
7.0% convertible redeemable	3.5	3.5	7.0
5.6% redeemable	4.0	4.0	4.2
8.0% redeemable	4.0	4.0	8.0
7.0%	3.5	3.5	7.0
	30.979	30.978	31.379
	Rm	Rm	Rm
Consolidated balance sheets			
Ordinary shareholders' equity	383	377	365
Preference capital	49	59	49
Outside shareholders' interests	95	88	90
Total shareholders' funds	527	524	504
Interest bearing debt	310	267	250
Total capital employed	837	791	754
Fixed assets	538	530	502
Current assets	545	465	458
Total assets	1 083	995	960
Interest free liabilities	246	204	206
Net assets	837	791	754
Financial ratios			
Interest bearing debt to total shareholders' funds	0.59 : 1	0.51 : 1	0.50 : 1
Current assets to current liabilities	1.66 : 1	1.72 : 1	1.75 : 1
Fixed assets			
At 30 September 1979 outstanding capital commitments amounted to R24 million (1978—R17 million) whilst a further R85 million (1978—R43 million) had been authorised by the Directors but not committed.			
Change in accounting policy			
It has been decided, with effect from 1 April 1979, that the post acquisition results of associated companies be incorporated in the consolidated financial statements on an equity accounting basis. For this purpose an associated company is one in which the Group owns between 20% and 50% of the equity capital and in which it has the power to exercise significant influence over the financial and operating policies.			
The effect of this change has been to increase earnings attributable to ordinary shareholders in the six months ended 30 September 1979 by R1 080 000 (1978: R622 000) and earnings per share by 0.49 cents (1978: 0.28 cents).			
For and on behalf of the Board			
F. J. C. Cronje (Chairman)			
R. J. Goss (Managing Director)			

DECLARATION OF INTERIM DIVIDENDS

NOTICE IS HEREBY GIVEN THAT on 13 November 1979 the Directors declared the following interim dividends on account of the year ending 31 March 1980 payable on or about 28 December 1979 to shareholders registered on 30 November 1979:

Ordinary shares
 An interim dividend of 4.0 cents per share (last year's interim dividend 3.0 cents per share).

Preference shares
 Interim dividends calculated in respect of the six months ended 30 September 1979:

Class	Nominal value per share	Dividend per share
6.2% cumulative	R2.00	6.2 cents
7.0% convertible redeemable cumulative	R1.00	3.5 cents
8.0% redeemable cumulative	R1.00	4.0 cents
7.0% cumulative	R1.00	3.5 cents

The foregoing dividends are declared in the currency of the Republic of South Africa. Warrants in payment will be posted on or about 28 December 1979 to Members at their registered addresses or in accordance with their written instructions and will be despatched from the office of the transfer secretaries in Johannesburg to all payees except those to whom payment will be made from the office of the London Secretaries of the Company (Barnato Brothers Limited, 99 Bishopsgate, London EC2M 3XE).

Any instructions which will necessitate an alteration in the office from which payment is to be made must be received on or before 30 November 1979. Payments from the office of the London Secretaries of the Company will be made in United Kingdom currency calculated by reference to the rate of exchange ruling on 14 December 1979 or at a rate not materially different therefrom. South African Non-Resident Shareholders' Tax at the rate of 14.03% and United Kingdom Tax will be deducted from the dividends where applicable. The Transfer Books and Registers of Members in respect of the shares which are the subject of this notice will be closed from 1 to 9 December 1979, both dates inclusive.

By order of the Board
 B. C. Waigel
 Group Secretary

2 Jan Smuts Avenue
 Johannesburg 2001
 13 November 1979



Nine months' results

Interim Statement

The results for the nine months ended 30th September 1979, estimated and subject to audit, are compared below with those for the similar period in 1978, which are restated at 31st December 1978 rates of exchange; also shown are the actual results for the full year 1978.

It must be emphasised that the results for the interim period do not necessarily provide a reliable indication of those for the full year.

	9 Months to 30.9.79 Estimate £ Millions	9 Months to 30.9.78 Estimate £ Millions	Year to 31.12.78 Actual £ Millions
Net written premiums—General Business	605.0	552.7	745.9
Investment Income	74.9	63.3	88.3
Underwriting Results—General Business	(13.3)	0.9	1.1
Long Term Insurance Profits	1.9	2.0	2.2
Loen and Bank Interest	63.5	66.1	91.8
Profit before Tax and Minority Interests	62.3	65.0	90.1
Taxation	19.5	21.2	29.7
Minority Interests and Preference Dividend	1.0	1.0	1.0
Net Profit attributable to Shareholders	41.3	42.8	59.4
Principal exchange rates used in converting overseas results:			
U.S.A.	\$2.20	\$2.04	\$2.04
Canada	\$2.56	\$2.42	\$2.42

Net written premiums and investment income increased in sterling terms by 9.5% and 18.2% respectively. Adjusted to exclude the effects of currency fluctuations the increases were 14.0% and 24.0% respectively.

In the Third Quarter underwriting profits were earned in the United Kingdom (£4 million) and in the U.S.A. (£0.9 million). There were satisfactory results in Canada and Australia also but further losses in Europe reduced the overall profit for the quarter to £4.1 million.

Net premiums written in the United Kingdom for the nine months were £263 million (1978, £214 million) and there was an underwriting loss of £7 million (1978, £0.6 million loss). A sound Third Quarter performance reduced the nine months deficit in the Motor account to £3.2 million but losses in the Combined Property accounts remained substantially unchanged at £6.3 million. Other major departments produced good profits.

In the United States net written premiums for the nine months were \$441 million (1978, \$407 million) and the operating ratio was 99.17% as compared with 98.21% for the same period in 1978. On the United Kingdom basis of accounting there was an underwriting loss of £0.3 million (1978, £1.7 million profit). Profits in the Automobile account continued to be offset by deficits in the Liability and Property accounts, although the latter account performed well in the Third Quarter despite the impact of windstorm losses.



General Accident Fire & Life Assurance Corporation Ltd
World Headquarters, General Buildings, Perth, Scotland.

For institutional investment in small listed companies

Electra Small Companies Fund

(An Authorized Unit Trust)

Electra Small Companies Exempt Fund

Designed for investment by exempt pension funds, superannuation funds and other institutional investors in companies listed on The Stock Exchange and having a market capitalisation of under £20m. At 17th October, 1979 the estimated gross annual yield of income units in each fund was over 5.6%. An improvement on this figure is anticipated as a result of dividend increases expected in the coming year.

Record (units were first issued on 27th July, 1977 at 100p, subscription dates once a month)	At 17th October 1979	At year ended 17th May 1979	1978	% increase 1979 over 1978
Offer Price (Income Units)				
Electra Small Companies Fund	158.50p	165.00pXD	117.50pXD	40.43
Electra Small Companies Exempt Fund	154.30p	161.25pXD	112.00pXD	43.97
Movement of Indices				
Financial Times Industrial Ordinary	472.30	530.70	480.30	10.49
Financial Times—Actuaries All-Share	253.55	286.27	217.47	22.44
Units in Issue				
Electra Small Companies Fund	3.35m	3.22m	2.38m	35.29
Electra Small Companies Exempt Fund	7.36m	6.98m	5.05m	38.42
Value of Combined Funds in Small Companies	£15.99m	£15.80m	£8.10m	95.06

Electra Fund Managers Limited

Further information is available to those whose business involves the acquisition and disposal, or the holding, of securities as principal or agent, from Electra House, Temple Place, Victoria Embankment, London, WC2R 3HP. Tel: 01-836 7766.

Westward TV ends year some 20% higher at £0.79m

Keyser doubled at £1.7m so far

AFTER absorbing losses incurred by the venture into Air Westward, which was sold during the year, profit after the exchequer levy but before tax of Westward Television, the independent programme contractor for South West England, advanced by 20 per cent from £61,143 to £73,067 in the 12 months to July 31, 1979.

Turnover went ahead by over 21 per cent from £7.57m to a record £9.56m and trading profit improved by £0.32m to £3.1m. Exchequer levy increased from £1.1m to £1.31m and tax from £159,721 to £288,654, leaving net profit before extraordinary items little changed at £502,433 against £501,422.

An extraordinary item of £282,998 relates to the investment into Air Westward which Westward TV chairman Mr. Peter Cadbury says proved not to be the profitable diversification we had hoped, largely due to factors outside our control.

Although it is likely that Air Westward could have developed into a profitable enterprise in time, the directors decided to accept an offer from British and Commonwealth Shipping to purchase the business in May. All costs and liabilities have now been extinguished, Mr. Cadbury reports.

Earnings per 10p share rose marginally from 5.09p to 5.10p and the net final dividend is 1.35p, raising the total payment by 8.5 per cent from 1.8425p to 2p. The total amount absorbed goes up from £181,474 to £195,887.

Mr. Cadbury says the recent TV strike cost Westward about £2m in revenue. Although this loss will be difficult to make up, to a large extent it will be absorbed by the company's liability for exchequer levy and tax, which together take up to 85 per cent of profits.

However, sales in the current and subsequent months since resumption of transmissions show a reasonable increase over the comparable months of last year. Mr. Cadbury hopes that a large part of the deficit will be recovered by the end of the current year.

Considerable investment has been made in new equipment during the year, including the latest Sony outside broadcasting unit and other technical equipment costing over £500,000.

Expenditure on programme production at Plymouth was increased by 62 per cent on the previous year and plans have been submitted for a new studio complex which will provide facilities for more ambitious programming to include more drama and light entertainment.

In spite of this considerable expenditure on improving local programmes, Westward has cash in bank and on short term loans amounting to £973,000, and this year has carried forward to reserves a further £22,000.

The overall book value of the company has increased by 23 per cent (from £2,966,000 to £3,649,000).

As expected, Westward will be applying in 1980 for the renewal of its licence, and Mr. Cadbury says he relies on his company's record in identifying itself with the region and in the field of 'international TV awards' for the successful outcome of the application.

DOUBLED PROFITS are reported by the directors of Keyser Ullmann Holdings, merchant banker, for the half-year to September 30, 1979.

The taxable surplus advanced from £864,000 to £1.7m. Last year's figure included £450,000 for a dividend received from Cannon Assurance.

After a sharply lower tax charge for the half-year of £45,000 (£163,000), earnings per 25p share are shown to have risen from 1.3p to 3.3p. Turnover, excluding banking, increased from £2.02m to £2.37m.

For the whole of last year, pre-tax profits were down from £4.36m to £3.1m.

Mr. Derek Wilde, chairman, says the Geneva-based banking subsidiary has been active during the period under review and the group will extend its European coverage by opening a banking operation in Paris early in 1980.

He adds that group internal organisation is so structured that it can respond rapidly to the new opportunities arising, and the directors look forward to continued growth of business.

At the end of the half year, advance to customers in sterling and other currencies, debtors and other accounts less provisions for bad and doubtful debts, totalled £142.94m, compared with £134.35m at March 31, 1979.

Current deposit and other accounts including provision for tax stood at £186.53m (£186.03m).

comment Having cleaned up its loan portfolio, Keyser Ullmann is now well placed to embark on new business. The group is finding it difficult to find assets, notably the Cannon Assurance stake, has released free capital and helped to more than double profits but customer advances have grown by only 6.4 per cent. The real increase is slightly greater, as old and doubtful advances are still being flushed out, but the group is sitting on shareholders' funds of £42.5m and looks too liquid. The earnings picture continues to

look fairly bright, however. There could be a further writ back of provisions at the end of the year, commission income rising and outstanding tax loss are boosting the attributable figure. Profits of £4.25m there fore look a reasonable hope for the year, putting the shares, at 56p, on a prospective p/e of 7. This assumes a 10 per cent increase in EPS next year. The final would give a yield of 5.6 per cent, which is unattractive to shareholders can probably be forward to a resumed interest next year.

Profits of Hoechst Trust, merchant banking and electronic engineering subsidiary, soared to £526,000 (£250,000) in the half-year. This was after increased banking interest losses of £35,000 (£25,000), and a substantially higher share of associate banking company's profit of £223,000 to £261,000. Turnover rose from £1.92m to £2.37m. Earnings per share given as 3.1p (1p).

The company owns 39.2 per cent of the banking group Keyser Ullmann Ltd.

Despite lost production in the current year due to the engine ing dispute, Mr. M. Herman Smith, chairman of Herman Smith, manufacturing and electrical engineering concern, says he will be disappointed if profit are not at least maintained.

He tells members in his annual statement that trading in the first half is always distorted by the incidence of holidays, but has been hit by the engineers' strikes, he says it cannot be expected that results for the first 26 weeks will be on a pro-temp basis.

As already known, the company achieved a turnaround from a loss of £27,195 to a pre-tax profit of £259,545 for the year ended July 30, 1979. Turnover moved ahead from £4.76m to £5.06m.

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MINING NEWS

Pace eases at Northgate

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Northgate Exploration has done less well in the third quarter with a consolidated net income of £32,098 (£338,800), equal to 30 cents (12p) per share, which follows £24m in the second quarter.

However, Northgate then warned that third quarter earnings would show a shortfall because of a lower planned mill tonnage, at the Irish Tynagh lead-zinc mine in County Galway, reduced ore grades and the anticipation—since home out—of lower metal prices.

Northgate is still keeping well ahead of last year with nine months' total net income of £97.37m or £81.07 per share, compared with a loss of £3,305,000 in the same period of 1978.

The main reason for the sharp recovery this year has been the resumption of regular operations at the mine in late-February following the settlement at the end of 1978 of the six-month labour dispute. In addition, Northgate has enjoyed higher metal prices this year.

Apart from its mining and exploration activities in Ireland, the Northgate group is involved in mineral exploration elsewhere in the world, notably in Canada and Australia. The group's shares reacted 20p to 34p in London yesterday.

AS PLANNED Comrade Riotinto of Australia yesterday withdrew its takeover offer for the Australian mining and investment house BH South, leaving the field clear for the AS214m (£118m) bid by Western Mining Corporation.

This follows the agreement reached last week between CRA, WMC and North Brekeo Hill under which CRA and WMC would carve up the assets of South and North would sell CRA some assets.

CRA will return all acceptances and write to South shareholders informing them of its action and the reasons for the decision. CRA also went ahead with part of its arrangement with North yesterday.

It bought 30 per cent of the New South Wales coal producer, Kembla Coal and Coke from

North, lifting its stake in the latter to 80 per cent. The consideration to North of 14m CRA shares has been firmly placed by brokers, Potter Partners, with a number of Australian institutions to give North AS48.8m for the sale.

Meanwhile, it is reported from Canberra that the joint bid by Shell of Australia and McIlwraith McEchamra for Bellambi Coal will have to be presented to the Foreign Investment Review Board.

The Trade and Resources Minister, Mr. Doug Anthony said in reply to a Parliamentary question that the Australian Government would then consider the Board's recommendations.

He added that Australia needed tremendous capital investment in the development of mines and it was doubtful whether such capital could be accumulated within the country.

Strike halts Inco plant in Guatemala

The rays of sunshine which Inco, the Canadian nickel producer, has seen hovering over its Guatemalan subsidiary were filtered through dark clouds yesterday with the announcement of a halt to metal processing.

Processing has been interrupted by a labour disagreement, the group stated. A dispute over job classification reviews, which started on November 7, widened so that smelting operations have been stopped. Mining operations continue.

The dispute has come at a time when Inco has been expecting a steady improvement in the finances of both its Guatemalan and Indonesian operating subsidiaries, whose production is designed to supplement Canadian output.

These overseas operations will probably cause a charge on Inco's consolidated earnings of \$80m (£38m) this year. But the charge is expected to halve next year and be eliminated in 1981.

CHARTER CONSOLIDATED LIMITED

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

SCHEME OF ARRANGEMENT AND RELATED TRANSACTIONS

Holders of share warrants to bearer are advised that on sanction by the Court of the Scheme of Arrangement contained in the circular dated 22 October 1979 the nominal value of this company's shares will be reduced from 25p to 2p.

Arrangements have been made for the overprinting of share warrants to bearer with their new nominal value at the company's Bearer Reception Office, 40 Holborn Viaduct, London EC1P 1AJ, and at the offices of its overseas paying agents, Credit Lyonnais SA, 19 boulevard des Italiens, 75002 Paris, and Banque Rothschild, 21 rue Laffitte, 75009 Paris.

Holders of share warrants to bearer are therefore advised to present their share warrants for overprinting on or after the effective date of the Scheme, which is expected to be 4 December 1979, in order to ensure that their warrants are acceptable in settlement of stock exchange bargains.

By order of the board
D. S. Booth
Secretary
Registered Office:
40 Holborn Viaduct
London EC1P 1AJ
14 November, 1979

TURNOVER INCREASED

PROFIT MARGINS MAINTAINED

	First Half 1979 £000s	First Half 1978 £000s
EXTERNAL TURNOVER	36,003	31,800
UNAUDITED PRE-TAX PROFITS	1,710	1,511
PERCENTAGE OF PRE-TAX PROFITS TO TURNOVER	4.75	4.75

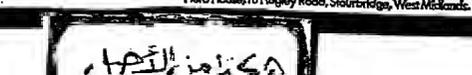
Note—Taxation The charge for taxation will be affected by stock relief as well as other items which will not be assessed until the end of the year. It is therefore considered that the inclusion of an estimated figure for taxation would not be helpful.

The cost of the interim dividend (after waivers) for 1979 is £233,960 (1978—£205,885).

In the first two months of 1979 the transport strike and the abnormally bad weather eliminated the group profit. By June however, the position was recovered and the profits earned for the half year exceeded the previous year by £200,000. This progress is continuing in the second half of 1979 despite the effects of the engineering strike on production and sales.

We have agreed to purchase the share capital of Fork Webb Forgings Ltd. for £700,000. When the plant is installed at Kidderminster we should have one of the best Open Die Forges in Europe. Immediately we should benefit from increased turnover, resulting in higher margins.

An interim dividend of 0.5p per share for 1979 (1978—0.44p per share) has been declared and is payable on 18th January 1980 to ordinary and non-voting ordinary shareholders registered at the close of business on 11th December 1979.

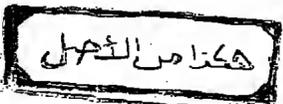


John Folkes Hefo Limited
INDIAN ENGINEERING AND PROPERTY GROUP
Hefo House, 18 Hagley Road, Stourbridge, West Midlands.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100) retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unutilised capacity (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Capacity
1978							
3rd qtr.	111.3	104.7	103	110.7	266.5	1,389	2
4th qtr.	110.3	103.1	111	111.7	273.0	1,349	2
1979							
1st qtr.	109.5	101.5	98	110.3	276.4	1,351	2
2nd qtr.	115.2	108.0	107	115.7	297.3	1,299	2
3rd qtr.	112.5	102.5	110				



General Accident makes Anglo-Indonesian turns third quarter improvement in £664,000 at halfway

DESPITE A slight third quarter improvement from £29.3m to £30.5m, pre-tax profits of General Accident Fire and Life Assurance Corporation were £3.7m down, for the nine months ended September 30, 1979, from £65m to £62.3m.

With an underwriting profit in both the UK and US, the worldwide underwriting surplus in the third quarter was £4.1m (£6.5m), and reduced the mid-term deficit of £17.4m (£3.7m) to £13.3m (£0.8m profit), at the nine months stage.

In the UK a third quarter underwriting profit of £4m has reduced the nine months' deficit to £7m (£0.6m loss), on premiums up 23 per cent at £263m. The underwriting deficit almost entirely reflects first quarter weather related losses, the directors state.

If exchange rates in force at December 31, 1978 had applied, pre-tax profits for the nine months would have been £68.9m, it is stated.

Net written premiums increased by £2.3m to £605m.

For the whole of 1978 net written premiums stood at £745.8m and profits were a record £80.1m.

For the nine months, investment income showed a 24 per cent rise to £74.9m (£63.3m), with £26.4m (£22.5m) coming in the third quarter.

Following rate adjustments the

UK motor account achieved a £1.8m profit in the third quarter, the nine months' loss being cut back to £3.2m.

And a small profit in the industrial fire account offset losses in homeowners' business to leave the losses in the combined property accounts unchanged at £8.3m.

	8 Months	Year
	1979	1978
	£m	£m
Net written premiums	605.0	552.7
Investment income	74.9	63.3
Underwriting loss	13.3	11.1
Long-term profits	1.9	2.0
Loan, bank interest	1.2	1.1
Profit before tax	62.3	80.1
Tax	18.5	21.2
Minorities, prov. div.	1.0	1.0
Attributable	42.8	58.4
General business	42.8	58.4

Other major departments, including liability, business, performed well, directors say.

A better result in Canada and Australia, but continuing losses in Europe, produced a non-U.S./UK underwriting deficit for the nine months of £5m (£0.3m loss).

Despite the impact of wind-storm losses, and £2m losses in connection with Hurricanes David and Frederic, there was a third quarter underwriting profit of £0.5m in the U.S. which decreased the nine months' deficit to £0.3m (£1.7m profit). Some £1.5m of Hurricanes' loss was borne by the U.S. account. Net written premiums totalled

£441m (£407m). With a third-quarter operating ratio of 88.15 per cent, the figure at nine months is 89.17 per cent (88.21 per cent).

Profits in the auto account for the nine months offset the liability and property loss, although the property account continued to perform well in the third quarter despite storm losses, the directors explain.

First Commercial Union and now General Accident have confounded some of the more bearish forecasts that have been floating around in the insurance sector in recent weeks. GA has extended its better than average performance in the U.S., and has clawed back a good part of the losses in the UK caused by the had winter weather.

In both cases, the important motor account has done surprisingly well. With investment income motoring ahead, profits for the year should be marginally higher than in 1978, and weather permitting—GA must be reasonably hopeful about another already performance in 1980. The prospective dividend yield could be nearly 9 per cent at 194p, which is on the low side for the sector. But the dividend cover is likely to be well above average, at three times or even more.

WITH ITS interim results published for the first time, the Anglo-Indonesian Corporation, owner of tea and rubber estates, achieved a pre-tax profit of \$64,000 for the half year to June 30, 1979, on sales of \$4.7m.

Comparative figures have been omitted as these were before devaluation of the Indonesian rupiah and have little relation to subsequent results.

Mr. Michael Nightingale, the chairman, says that the pattern of the company's business is such that although it expects to improve on the 1978 results, second-half profits will be considerably less than in the first six months.

For the year ended December 31, 1978, profits of \$944,000 were reported.

The chairman says this year's profits have benefitted from the devaluation of the rupiah, which together with improved rubber prices and production has more than compensated for disappointing tea production.

Agricultural engineering interests in the UK and Sri Lanka are developing well, but trading operations in Sri Lanka are suffering from lower margins in a highly competitive environment.

Trading profits for the period were \$808,000, before a contribution of £153,000 from the associate, Eva Industries. In September, the group increased its investment in Eva from 21.3 per cent to 29.3 per cent and the two companies are exploring the possibilities of manufacturing hand tools in Sri Lanka and Indonesia.

Tax takes £233,000 and after minorities of £102,000, the attributable surplus for the half year emerged at £329,000.

period reasonably free from industrial strife the group could look forward with restrained optimism to a continuation of its profit record.

Printing out that half year results do not reflect the pattern of activities for the full year, he said that engineering contracts of a larger size had been negotiated resulting in a lesser value and volume falling for completion within the first half.

Orders had been obtained against intense competition both at home and overseas and profit margins had been under pressure.

He added that the group had suffered from the effects of the national engineering dispute.

At the AGM of Danks Gorton, Mr. A. J. S. Roe, chairman, told members that given a

Guarded optimism at Danks

At the AGM of Danks Gorton, Mr. A. J. S. Roe, chairman, told members that given a

Chubb down 28% but looking for pick-up

TAXABLE PROFITS of Chubb and Son, the security systems group, fell 28 per cent from £18.9m to £13.6m in the six months to September 30, 1979, on turnover 4 per cent ahead at £10.03m, against £106.03m. But the directors are looking for considerably improved second-half figures.

They say the half-year results reflect the aftermath of the problems of last winter in the UK—subsequently accentuated by the engineering dispute—and the effects of strikes in group companies in Canada, Belgium and Italy.

The gross interim dividend is

held at 2.7808p, equal to 1.9466p (1.8631p) net. Last year a total of 5.3415p net was paid from pre-tax profits of £15.26m.

Tax for the period took £1.63m, compared with £2.27m.

Chubb and Son's Lock and Safe Company, which was not affected by the engineering strikes, and C. E. Marshall and L. and F. Wittenhall produced increased profits for the period. Parkes UK showed a 18 per cent fall in trading profit, and Chubb Fire a 28 per cent drop.

comment

As soon as the dreary first half results were out of the way,

Chubb went against the market trend and the shares put on 2p to 98p. As anticipated, profits have been hurt badly by strikes both in the UK and in European divisions and Chubb is down 28 per cent at the pre-tax level. Additionally, the fire division stood very little chance of matching an exceptionally buoyant comparable period while throughput in the Brighton electronics factory failed to cover overheads fully as customers stood off ahead of a new product launch. The outlook for the current half looks far more stable and Chubb should be capable of around £13.25m in the second six months matches that of 1978-79. Currencies should have a more

favourable impact on export growth in the lock and safe activities but the electronics side has incurred losses of over £1m, mostly on product development. That level of spending is unlikely to fall very much and it will require a significant ordering pick-up to cover the development effort. The critical period for these new electronic machines, Chubb calculates, will occur in the first six months of calendar 1980. For the moment a prospective p/e of 9.2 and a yield of 8.7 per cent on a 10 per cent dividend increase look about right, but the shares may need the stimulus of a good flow of electronics product orders before moving very much further forward.

RCM

The following is an extract from the annual statement for the year ended 30 June 1979 by the Chairman of Roan Consolidated Mines Limited, Mr. J. C. Mapoma.

The past year was a successful one for RCM. The financial results—a net profit of K74.4 million against a net loss of K12.4 million in 1977/78—were very good and the best in the history of the company since the record K79 million net profit of 1974.

Costs were kept down during the year in spite of continuing inflationary pressures and are under constant review.

Although improved copper prices in the latter part of the year played an important part in the company's recovery, earnings from sales of cobalt for the first time made a significant impact on the company's results. Cobalt will continue to play an important role as a major income earner in the immediate future because of the problems being at present experienced in the production of copper.

In this regard emphasis in the year ahead will be placed on improving copper production from the current disappointing levels.

After five difficult years during which RCM has had to pass dividends, I am happy to be in a position to announce that on the basis of the company's fine performance the directors declared Dividend No. 19 of K0.125 per share on 20 September 1979 in respect of the year ended 30 June 1979. Dividend No. 18 was declared in November 1974.

In the year ahead RCM will, as in the past, continue to work toward higher productivity and greater creativity to improve the quality of its products so as to match the demands of a fiercely competitive world.

The company has some of the most modern copper mines in the world, a fine management team, enlightened employees, faithful shareholders and loyal customers. With assets such as these we can look to a bright future in which we hope to produce greater wealth for the benefit of all.

Consolidated profit and loss account for the year ended 30 June 1979

(All funds expressed in Zambian Kwacha)	1978/79	1977/78
	'000	'000
Sales	397 130	261 913
Cost of sales	305 004	256 737
Profit on sales	92 126	5 176
Share of profit, less losses, of associated companies	(574)	774
Exchange (losses)/gains	(2 495)	2 621
Interest income	924	723
Interest expense	(15 529)	(15 328)
Devaluation loss		(7 128)
Profit/(loss) before taxation	74 452	(13 160)
Taxation (charged)/recoverable	(8)	753
Net profit/(loss)	74 444	(12 407)
Appropriations:		
Capital expenditure reserve	55 594	17 100
Debtenture stock redemption reserve	960	797
General reserve	13 175	(30 304)
Dividend declared	4 715	
	74 444	(12 407)

Copies of the annual report may be obtained from Hill Samuel Registrars Ltd., 6 Greencoat Place, London SW1P 1PL.

Brown Shipley Holdings Limited

INTERIM STATEMENT

The profit of the Group for the half-year to 30th September, 1979, was slightly less than that earned in the same period last year.

Financial markets have again been dominated by erratic movements in exchange and interest rates. After a very sharp increase the pound has now returned, both in dollar and trade-weighted terms, to its level in April, whereas interest rates both here and overseas have risen steeply and continue to do so.

The Banking Group has found increasing pressure on interest margins while demand for its credit facilities in the United Kingdom has not reflected the high levels reported for the banking system as a whole. It anticipates, however, that the abolition of exchange controls will give rise to useful business in the future.

Profit of the Insurance Group earned in the United Kingdom on both home and overseas business showed an increase but this was offset by a decline in that earned by its subsidiary companies abroad.

Dividend limitation having lapsed, the Directors consider that an increase to a higher level would be appropriate. Economic prospects are not clear, with inflation remaining obstinately high, and the Directors cannot forecast an increased profit for the year as a whole. Nevertheless, and subject to unforeseen circumstances, they intend to recommend dividends for the year totalling 13p per share (10.60p) which, at a tax rate of 30 per cent, would have a gross equivalent of 18.57p (15.44p). This would represent an increase of approximately 20 per cent.

An interim dividend has been declared for the year to 31st March, 1980, of 5.5p per share (4.5p), which is equivalent to a gross dividend of 7.86p (6.72p), and will be paid on 11th January, 1980 to shareholders on the register at 30th November, 1979.

13th November, 1979.

Founders Court, Lothbury, London EC2R 7HE

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further details please ring 01-248 8000 Extn. 266

Unilever

Results for the third quarter of 1979, and interim dividends

COMBINED RESULTS (£ millions)

Third Quarter	1979	1978	Increase/ (Decrease)		Nine Months	1979	1978	Increase/ (Decrease)
2,731	2,480	10%	SALES TO THIRD PARTIES—Combined	8,064	7,257	11%		
1,020	1,011		— Limited	3,078	2,964			
1,711	1,469		— N.V.	4,986	4,293			
173.7	163.0	7%	OPERATING PROFIT	494.6	449.9	10%		
9.3	(0.1)		Non-recurring items	10.4	(1.6)			
10.2	18.4		Concern share of associated companies' profit before taxation	34.7	50.8			
1.1	0.6		Income from trade investments	1.6	1.1			
(13.0)	(11.9)		Interest	(38.2)	(35.2)			
(16.8)	(13.8)		Interest on loan capital	(51.0)	(36.6)			
3.8	1.7		Other interest	12.8	1.4			
181.3	170.0	7%	TOTAL CONCERN PROFIT BEFORE TAXATION	503.1	465.0	8%		
(81.1)	(73.1)		Taxation on profit of the year:					
(5.2)	(9.1)		Parent companies and their subsidiaries	(228.6)	(209.1)			
			Associated companies	(17.2)	(24.3)			
1.0	(0.2)		Taxation adjustments previous years:					
0.1	(0.6)		Parent companies and their subsidiaries	0.1	(1.6)			
(8.8)	(6.6)		Associated companies	1.7	(2.8)			
(7.7)	(5.5)		Outside interests and preference dividends	(20.8)	(17.4)			
(1.1)	(1.1)		Outside interests	(17.8)	(14.4)			
			Preference dividends	(3.0)	(3.0)			
87.3	80.4	9%	Total concern profit attributable to ordinary capital at rates of exchange ruling 31/12/78	238.3	209.8	14%		
(3.2)			Difference arising on recalculation of 1979 results at end September 1979 rates of exchange	(8.8)				
84.1	80.4	5%	TOTAL CONCERN PROFIT ATTRIBUTABLE TO ORDINARY CAPITAL	229.5	209.8	9%		
49.4	42.1		— Limited	117.8	109.9			
34.7	38.3		— N.V.	111.7	99.9			
22.64p	21.64p	5%	Earnings per 25p of capital	61.78p	58.48p	9%		

Exchange Rates

As has been our practice the results for the quarter and the first nine months and the comparative figures for 1978 have been calculated at comparable rates of exchange. These are based on £1 = F1.389 = U.S.\$2.03, which were the closing rates of 1978. Total Concern profit attributable to ordinary capital for the current quarter and the first nine months has also been recalculated at the rates of exchange current at the end of September 1979 being based on £1 = F1.425 = U.S. \$2.20.

U.K. Stock Relief

Under the U.K. Finance (No. 2) Act 1973, enacted during the third quarter, stock relief obtained in respect of the years 1973 and 1974 (£38 m.) is no longer subject to clawback and the relief received in subsequent years will also become permanent if it is still outstanding at the end of a rolling six year period. At the year end we shall be taking a view of the likelihood that relief received in respect of the years 1975 to 1978 (£77 m.) and, separately, 1979, will be subject to future clawback. Our present expectation is that such clawback is unlikely and that we shall be releasing the bulk of the £115 m. deferred taxation previously provided for stock relief in 1979 to 1978 as an extraordinary item in the fourth quarter results. Stock relief received in respect of 1979, if any, will be dealt with in the fourth quarter tax charge. This treatment of U.K. stock relief accords both with Dutch requirements and U.K. accounting standards.

RESULTS

In the third quarter of 1979 total sales value was 10% higher than in the corresponding quarter of 1978, of which 7% arose from increased volume.

In Europe most product groups showed an improvement in results over last year. However, it was largely offset by lower volume and margins in the edible fats business, due to difficult market conditions. This, together with reduced export sales and earnings, caused total results in Europe to be below those of 1978.

In North America operating profit showed a good increase over the corresponding quarter of 1978, mainly because National Star— included for only part of the 1978 third quarter—is now included for the full quarter. Results in other businesses were slightly above last year's level.

UAC International's results are lower, due to difficult trading conditions in Africa. This is reflected in the fall in Concern share of associated companies' profit before taxation. In other overseas companies in total, results were significantly better than in 1978.

The figures of non-recurring items this quarter arises mainly from the merger of MacMarkets' activities with those of B.A.T. Industries.

DIVIDENDS

The Boards today declared interim dividends in respect of 1979 on the Ordinary capitals at the following rates which are equivalent in value at today's rate of exchange in terms of the Equalisation Agreement between the two companies:

LIMITED

per 25p Ordinary share — 8.94p (1978: 8.67p)

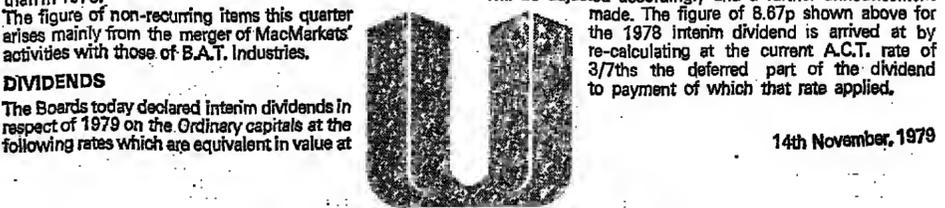
N.V.

per Fl. 20 Ordinary capital — Fl. 3.56 (1978: Fl. 3.40)

LIMITED's interim dividend, will be paid on 24th December, 1979 to shareholders registered on 7th December, 1979.

In the case of N.V. the interim dividend will be paid on 20th December, 1979.

For the purpose of equalising LIMITED's and N.V.'s dividends under the Agreement, the Advance Corporation Tax ("A.C.T.") in respect of any dividend paid by LIMITED has to be treated as part of the dividend. LIMITED's 1979 interim dividend now announced has been calculated by reference to the current rate of A.C.T. (3/7ths): if the effective rate applicable to payment of the dividend is different the amount will be adjusted accordingly and a further announcement made. The figure of 8.67p shown above for the 1978 interim dividend is arrived at by re-calculating at the current A.C.T. rate of 3/7ths the deferred part of the dividend to payment of which that rate applied.



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14th November, 1979

PHILIPS-A WHOLE NEW WORLD OF KNOWLEDGE.

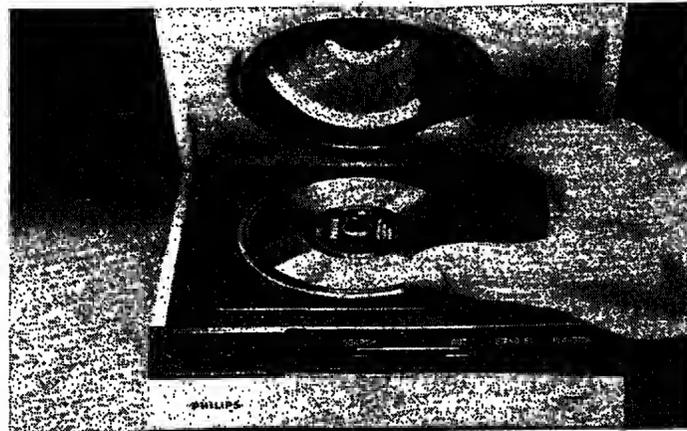
Today, Philips are going to spend over one million pounds with you in mind. We're using this tidy sum on research and development to build a whole new world of knowledge that benefits everybody. Because at Philips, new ideas don't gather dust. They gather momentum. And are turned into worthwhile new products we can all appreciate: new technology for our homes, our hospitals, our schools and our places of work. In fact, our complete environment. The most interesting thing of all is that there's nothing particularly special about the million pounds we're spending today. Because we spend over one million pounds *every* day to widen our knowledge and produce even better products for you. Here are just some of the ways in which that £450 million a year is spent on research and development helping to keep Philips simply years ahead.



The super-sensitive 'Night Eye' that lets you see in the dark.

We're helping people to see in the dark with an amazing new type of Image Intensifier.

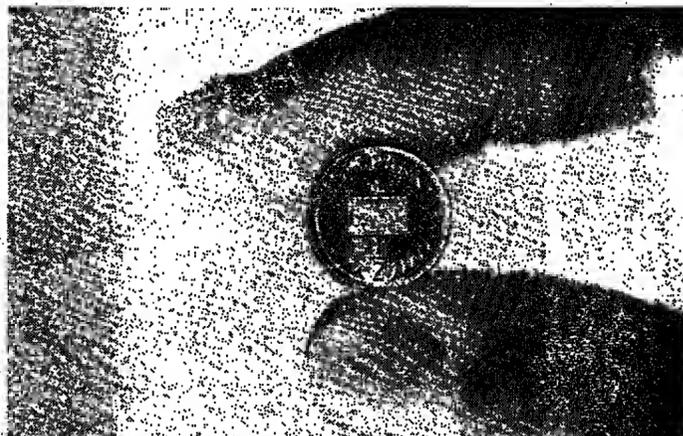
The system gives a high definition picture without the need for additional directed light beams. Already this new development from a Philips Group company - Mullard - is playing a major part in the campaign against crime.



Hi-Fi that has a friction-free laser instead of a stylus.

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مركز من التجميل

Companies and Markets

UK COMPANY NEWS

BIDS AND DEALS

Associated Engineering in £4.8m French takeover

BY ANDREW FISHER

Associated Engineering is nearly doubling the size of its French operation by purchasing full control of the leading French maker of plain bearings, Societe Industrielle des Conduits (SIC).

Mr. John Collyear, AE's chief executive, said that the acquisition would nearly double its French operations, which should have sales of nearly FF 265m (£30m) next year.

A. American Asphalt £0.6m deal

Anglo-American Asphalt is to make a 3-year offer for the shares of AGIL Holdings, which makes agricultural and other chemicals, on terms which value the Wokingham company at £57.00m.

Corroon to lift Minet stake

BY JOHN MOORE

Corroon and Black Corporation of the U.S., the eighth largest insurance broker in the world, is to build up a 20 per cent stake in Minet Holdings, the UK based insurance broker, by buying shares in the London stock market.

Panel has been consulted. Corroon has assured Minet that it will abide by the regulations of Lloyd's committee — which stipulate that no more than 20 per cent of an approved Lloyd's broker may normally be held by a non-Lloyd's broker.

Slight fall at Brown Shipley

HALF-YEARLY profits to September 30, 1979 of Brown Shipley Holdings were slightly lower than in the same period of 1978, and the net interest margin was also lower.

Ahead of the announcement Minet shares were suspended at 99p — at the company's request. The listing is to remain suspended until Monday to give shareholders sufficient time to consult their professional advisers.

AGIL has forecast a pre-tax profit in excess of £120,000 for this year. Net assets at the end of 1978 totalled £841,000.

Tour interest could cost Lancaster £1m

D. M. Lancaster, the Manchester textiles company, could pay up to £1m for its planned entry into the tour operating market through the acquisition of Club 18/30 (London).

TOKYO TRUST S.A. Interim Dividend. An Interim Dividend of U.S.S 0.40 per share will be payable on 15th November 1979 to holders on the Register on 15th October and to holders of the Bearer Shares against presentation of coupon No. 12 at the Paying Agents.

Hillingworth chief sells bulk of shares

Mr. Ivan Hill, who steps down next March as chairman of the Hillingworth Morris textile concern, has sold the bulk of his shares in the company.

During the period, the banking group has suffered increasing pressure on interest margins, while demand for its credit facilities in the UK has not reflected the high levels reported for the banking system as a whole.

GEORGE H. SCHOLLS & CO. LTD. WYLEX WORKS, WYTHENSHAW, MANCHESTER M22 4RA. Manufacturers of Wylex Electrical Products.

NAT. CARBONISING Group figures for National Carbonising for the year to March 31 show profits before tax of £24,000.

Table with 3 columns: 1979, 1978, and 1977. Rows include Trading Profit, Interest on Short Term Deposits, Profit before taxation, Taxation, Profit after taxation, and Dividends per share (net).

APPOINTMENTS G. Rodgers heads F. W. Woolworth

Mr. G. Rodgers, deputy chairman and chief executive of F. W. WOOLWORTH AND CO., has been elected chairman in succession to Mr. S. J. Owen, who has retired.

PORTER CHADBURN LIMITED INTERIM STATEMENT. RESULTS (Unaudited) 26 weeks ended 5th July 1979, 26 weeks ended 6th July 1978, 52 weeks ended 4th Jan. 1979.

Mr. Christopher Tregoning has been appointed managing director of NORDBANK. He will act as assistant to the managing director with responsibility for special projects and planning.

Flight Refuelling forecasts record

Record profits are forecast for 1979 by the directors of Flight Refuelling (Holdings).

As anticipated in their annual statement, turnover and profits for the first six months of 1979 both showed an advance.

The directors say that results for the second half should show a marginal improvement on those of the first — profit for the whole year was up from £57.7m to £71.9m and pre-tax from £35.50m to £1.16m.

The interim dividend is effectively raised to 1.15p net per 25p share, compared with an adjusted 0.9333p — last year's final payment was equivalent to 1.46p.

Six months' tax takes £616,000 against £495,000 leaving a net profit ahead from £444,000 to £547,000.

The group manufactures specialised equipment for aircraft nuclear and electronics industries.

During the period, the banking group has suffered increasing pressure on interest margins, while demand for its credit facilities in the UK has not reflected the high levels reported for the banking system as a whole.

Profits on the insurance group earned in the UK, on both home and overseas business, showed an increase, but this was offset by a decline in earnings from overseas subsidiaries.

Mr. R. E. Thomas has been appointed joint managing director of SCHOLL (UK). He is also vice-president, Scholl operations, Eastern Hemisphere of the Schering-Plough International consumer division of which Scholl (UK) is a part.

Mr. Beverley Smith has been appointed head of radio programming of the INDEPENDENT BROADCASTING AUTHORITY. He is at present programme controller of Radio Trent, the Nottingham based independent local radio station.

Mr. Roger Walker has been appointed to the newly-created post of marketing director, R. A. LISTER FARM EQUIPMENT. Mr. M. Essey is now European sales manager, and Mr. D. K. Macmillan, divisional manager, Monmouth. Mr. D. A. Bessie is chairman of the company, which is a member of the Hawker Siddeley group.

Mr. M. W. Sorell has been appointed a non-executive director of WEEKS PETROLEUM. He is a director of Lazard Brothers and Co., and a non-executive director of S. Pearson and Son. Mr. E. Eleber, of Bergen, Norway, has resigned as a non-executive director of Weeks because of the pressure of other business.

Mr. John C. Perceval, managing partner of Edward Rushton Son & Co., has been elected president of the British Chamber of the INTERNATIONAL REAL ESTATE FEDERATION, otherwise known as FIABCI, which has 37 member countries. The retiring president is Mr. Michael Baylis, of Richard-Elis.

Mr. I. S. W. Hall, managing director of James Hall and Co. (Southport), Mr. W. J. Capper, chairman and managing director of Capper and Co. (South Wales), and Mr. S. F. Nugent, distribu-

tion director of Linford, have joined the Board of SP FOOD HOLDINGS. The Board has been reconstituted with fewer directors and its other members are Mr. G. M. McElis (chairman), Mr. J. R. H. Agnew, Mr. R. S. Jacques and Mr. A. R. Jones (managing). Retiring directors are Mr. M. T. Appleby, Mr. P. F. Blakemore, Mr. E. S. Hall, Mr. N. O. Quibell, Mr. G. R. T. Willis and Mr. W. A. Woolley.

Mr. David Kiggell has been appointed regional director for the South East operation of SMARTS LAUNDRIES GROUP.

Mr. R. E. Thomas has been appointed joint managing director of SCHOLL (UK). He is also vice-president, Scholl operations, Eastern Hemisphere of the Schering-Plough International consumer division of which Scholl (UK) is a part.

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REDEMPTION NOTICE Public Power Corporation (Dimosia Epitrisis Elektrismou) U.S. \$20,000,000 8 1/2 Per Cent. External Loan Bonds Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Deed dated January 4, 1973 under which the above-designated Bonds are issued, \$400,000 aggregate principal amount of such Bonds of the following distinctive numbers has been drawn for redemption for the sinking fund on December 15, 1979 (herein sometimes referred to as the redemption date):

Table of bond numbers for redemption, including columns for bond numbers and amounts.

Payment of the redemption price of the Bonds specified above will be made on the redemption date at the redemption price of 100 per cent of the principal amount thereof, (a) at the IBG Securities Processing Department of Citibank, N.A., the Principal Paying Agent under the Trust Deed referred to above, No. 111 Wall Street, in the Borough of Manhattan, The City of New York or (b) to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London, Lyons, Brussels, and Lisbon (Luzemburg) S.A. in Luxembourg, and the principal offices of Citibank of Switzerland in Zurich, the National Bank of Greece and the Commercial Bank of Greece in Athens. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City, or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on December 15, 1979. On and after the redemption date, interest on the said Bonds will cease to accrue, and, upon presentation and surrender of such Bonds with all coupons attaching thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Principal Paying Agent. The amount of any missing unattached coupons will be deducted from the sum due for payment.

Coupons due December 15, 1979 should be detached and presented for payment in the usual manner.

PUBLIC POWER CORPORATION (Dimosia Epitrisis Elektrismou) By: CITIBANK, N.A. as Principal Paying Agent

NOTICE The following Bonds previously called for redemption have not as yet been presented for redemption. BOND CALLED DECEMBER 15, 1977 9378 BONDS CALLED DECEMBER 15, 1978 9728 9931 9974 10410

CO-OPERATIVE BANK LIMITED US\$ 25,000,000 Floating Rate Capital Notes 1986 For the Six Months 15th NOVEMBER 1979 to 15th MAY 1980 the Notes will carry an interest rate of 15 1/8 % per annum with a coupon amount of US\$76.15 London & Continental Bankers Limited Agent Bank

Medminster Limited Furniture Hire, Shipping and Freight Agents. The hire companies continue to maintain and restore their vast stocks and to dispose of those pieces no longer hireable, and at all times our buyers are in the field purchasing furniture, furnishings, pictures, bric-a-brac, props, and the like to keep our stock interesting and on the move.

Medminster Limited Furniture Hire, Shipping and Freight Agents. The new London warehouse for Camden Furniture Hire Ltd. (C.F.H.) has been operational since the 20th July, 1979, and I feel I should congratulate the management of our Furniture Hire Companies who, in spite of all types of difficulties, have managed to absorb the start up costs of this new venture and yet still produce enhanced turnover and profits.

14th November 1979

FREPORT REFINERY TAKEOVER

Charter grants domestic priority

BY NICKI KELLY IN NASSAU

THE BAHAMAS Government has won an assurance from Charter Company that it will give priority to supplying the oil needs of the islands.

the liquidation by arranging to pay off nearly \$500m owed to Petco's creditors, including roughly \$300m to the national oil companies of Libya and Iran.

dependence on Middle East crude to feed the refinery. Although the Bahamas' 25,000 barrel-a-day consumption is small by comparison to that of other nations, any disruption in fuel supplies could prove fatal for an economy so heavily dependent on air and sea transportation, the Prime

Now that ownership of the Freeport refinery has been approved by the Government of the Bahamas, Charter is seeking additional sources of supply to lift the refinery to capacity working levels.

The refinery, fifth largest in the world, was formerly 65 per cent owned by Carey, the largest independent marketer of fuel oil on the U.S. East Coast, and 35 per cent by Standard Oil of California (SoCal).

of SoCal's claims against Carey Energy. As a foreign entity however, Charter still required Bahamas Exchange Control approval to take up Petco's shares.

Minister warned in a recent national address on energy. Charter's oil supply contracts with Iran and Libya call for 110,000 and 60,000 b/d respectively through March and September 1980.

using slightly more than 200,000 b/d and SoCal about 150,000, leaving about 150,000 b/d of unused capacity. Charter is hoping it can line up additional sources of crude under long-term purchase agreements at fixed OPEC prices.

In the meantime, the Bahamian Government is moving ahead on its own to initiate negotiations with the Caribbean's main oil producers to assure a steady supply of crude to the refinery.

Mr. Pindling is expected to ask the Venezuelan Government for a 30,000 b/d oil shipment when he visits Caracas in the next few weeks. He had said the Bahamas will organise its own strategic oil stockpile to serve the nation's needs.

"Although there is nothing we can do about the price set by OPEC for crude oil, we do believe that there is something we may be able to do about the prices we are charged by the big oil companies for their products," he told delegates attending this party's national convention.

If necessary, he added, the Government was prepared to take the "unprecedented" step of intervening directly in the wholesale distribution of essential fuel supplies to guarantee equal distribution at the best possible price.

CANADIAN COMPANIES

Dominion Stores raises half-year profits

BY ROBERT GIBBENS IN MONTREAL

DOMINION STORES, the major Canadian supermarket group owned by Argus Corporation in Toronto, earned C\$12.2m or C\$1.40 a share in the six months ended September 15 against C\$10.7m or C\$1.26 a share a year earlier on sales of C\$1.2bn against C\$1.1bn.

were higher, with lower margins, however. Diversify world sales gained 24 per cent.

Hawker Siddeley Canada, the transportation and industrial products group owned by Hawker Siddeley of the UK, earned C\$22.9m or C\$2.74 a share in the first nine months against C\$19.7m or C\$1.29 a year earlier and revenues of C\$383m against C\$377m.

There were significant increases in deliveries of rail freight equipment and products for the mining and forest industries. Activity at most plants is expected to remain at a high level for the rest of the year.

Dome Petroleum, which now controls TransCanada Pipelines and is the principal oil and gas explorer in the Beaufort Sea, earned C\$112.3m or C\$2.47 a share in the first nine months against C\$83.9m or C\$1.87 a share a year earlier. Revenues from oil and gas production and investment were C\$653m against C\$453m. Cash flow was equal to C\$4.6 a share against C\$3.13 in the 1978 period.

Spending on exploration and production in the first nine months was C\$258m. Wardair International, Canada's largest charter airline, earned C\$3.4m or 82 cents a share in the first nine months, against C\$2.9m or 79 cents a year earlier on revenues of C\$169m compared with C\$114m. A loss is expected in the final

quarter because of rising fuel and other costs.

Canadian General Electric, Canadian arm of U.S. General Electric, earned C\$22.5m in the first nine months or C\$2.75 a share, against C\$18.3m or C\$2.25 a year earlier. Sales of C\$937m compared with C\$778m.

BP Canada, the Montreal-based Canadian arm of British Petroleum, earned C\$47.2m or C\$2.23 a share in the first nine months against C\$37.2m or C\$1.59 a share a year earlier on revenues of C\$713m against C\$606m.

Capital spending was C\$64m against C\$40m. Higher earnings were due to increased production, higher selling prices for crude oil and natural gas, and better margins from refining operations.

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Interest rates hit Sea Containers

By William Hall, Shipping Correspondent

EVERY ONE per centage point increase in the U.S. prime rate cost the Sea Containers Group \$2.8m in net income per annum.

Yesterday the Sea Containers Group reported an 8 per cent increase in third quarter earnings. Net income of \$6.8m compared with \$6.3m in the comparable period of last year.

In the first nine months of 1979, Sea Containers revenues rose by 21 per cent to \$138.5m and earnings of \$21m (\$2.77 per common share) are unchanged.

Mr. Sherwood said that the results were disappointing in the light of improving charter rates for the group's vessels, the high demand for marine containers and other container-related equipment leased out by the group.

The group had fixed rate debt of \$202m and floating rate debt of \$295m at September 30. On the assumption that the average prime rate in the fourth quarter is 15 1/2 per cent compared with a "more normal" 7.5 per cent.

"Some of our bankers have expressed the view that the prime may be down to about 9 per cent by next April and we hope they are right," said Mr. Sherwood yesterday.

On the outlook for the business, Mr. Sherwood said that there was no evidence yet of any recession in international trade or downturn in container leasing activity.

Funding switch by Iran upsets Eurobond markets

BY FRANCIS GHILES

IRAN'S DECISION to withdraw its funds from U.S. banks and President Carter's decision to freeze Iranian assets in U.S. banks led to confusion in the bond markets yesterday and particularly in the dollar sector.

Straight dollar bonds were marked down at the start of trading, partly a technical reaction to Tuesday's sharp rise in prices and partly a spill-over effect from the weakness of the New York market on Tuesday.

Later in the day prices did recover and closed about 1 1/2 points lower on the day.

Yesterday's events had no effect on the dollar-denominated bond for an Iranian borrower, the 9 1/2 per cent Industrial and Mining Development Bank of Iran bond to 1983 has been standing at an indicative 75-80 for many months, but is not really the object of any trading.

Two floating rate note issues were signed yesterday, with indicated conditions on both unchanged. The \$25m FRN for Bergen Bank which is being arranged by Credit Suisse First

Boston and Bergen Bank and which includes a maturity of ten years and a minimum coupon of 6 per cent and the \$50m FRN for IBJ Finance Company NV which is being arranged by Morgan Stanley and IBJ International and which include a maturity of eight years and a minimum coupon of 5 1/2 per cent.

In the Deutsche Mark sector selling pressure was strong where some of the outstanding D-Mark foreign bonds for Iranian borrowers are concerned. The Industrial and Mining Development Bank of Iran 7 1/2 per cent bond to 1987 dropped two points to 94 yesterday with about one third of the selling orders being accommodated according to some German dealers.

A DM 100m public offering for Gasunie, which holds the monopoly for buying, stocking and selling natural gas in Holland, was launched by Comerbank. The borrower is paying a coupon of 8 per cent for five years with pricing expected at par.

In the Kuwaiti Dinar sector the authorities are understood to have indicated to the banks that they did not wish any Kuwaiti Dinar bonds to be floated until the new year when the current money market crisis of illiquidity should be resolved.

This illiquidity is explained by the fact that Kuwaiti Dinar is effectively pegged to the value of the U.S. dollar but presents arbitrageurs with an enormous interest rate differential when U.S. interest rates move sharply upwards. The difficulties the market faces today are a repeat of what happened in the wake of the first October dollar support package just over a year ago.

Meanwhile a KD 5m four-year floating rate certificate of deposit is being arranged for Gulf Bank, the third largest bank in Kuwait. The borrower will pay a coupon of 1 per cent over the three-month KD offered with a minimum interest of 6 1/2 per cent.

Lead manager is Kuwait International Investment Company and investors will have the option to convert their CDs into notes carrying a fixed interest rate of 8 per cent at the end of the first and second year.

Prices in the Swiss Franc foreign bond sector seemed to have stabilised for the first time in over two weeks. A SwFr 75m five-year private placement has been completed for Dansk Export-Finanserings Fonds by Swiss Volksbank. The borrower is paying a coupon of 5 per cent. Meanwhile a SwFr 60m convertible has been completed through Credit Suisse for Hasagawa Komuten. The borrower is paying a coupon of 5 1/2 per cent.

Sharp rise for Whittaker Corporation

LOS ANGELES — Whittaker Corporation has achieved sharply higher net income for the fourth quarter and year ended October 31, and the directors will probably vote to increase the dividend early next year, said Mr. Joseph F. Alibrandi, the president.

For the fourth quarter, Whittaker, a textile, chemicals and metals company, will report net income of around 80 cents a primary share, up from 63

cents last year on an increase in sales to \$290m from \$236m. For the year net income will "hit" at least \$3.15 a primary share, up from \$2.24 in fiscal 1978.

The directors will review the company's cash dividend in January or February and "with our earnings performance it would seem obvious to increase the dividend."

Earnings for the fiscal year ending January 30, 1980, are continuing to rise strongly. For fiscal 1980, analysts' estimates which put Whittaker's net income between \$3.50 and \$4.00 a primary share on sales of \$1.30bn were "right in the ball park even with a recession."

The gains in fiscal 1979 reflected the major restructuring the company has been going through. Reuter

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published second Monday of each month. Closing prices on November 14

Table with columns: U.S. DOLLAR, STRAIGHTS, Bid, Offer, Change on week, Yield. Lists various international bonds like Alico of Australia, Alcoa, etc.

Table with columns: Floating Rate, Spread, Bid, Offer, Change on week, Yield. Lists various floating rate bonds like Banco de Argentina, etc.

DEUTSCHE MARK

Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists various Deutsche Mark bonds like African Dev. Stk. 87, etc.

SWISS FRANC STRAIGHTS

Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists various Swiss Franc bonds like Argentina 5 88, etc.

YEN STRAIGHTS

Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists various Yen bonds like Australia 8 88, etc.

OTHER STRAIGHTS

Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists various other bonds like Arco Fin. 10 86, etc.

CONVERTIBLE BONDS

Table with columns: Conv. date, price, Bid, Offer, Change on week, Yield. Lists various convertible bonds like AGA Akt'bolag 7 83, etc.

CONVERTIBLE BONDS (continued)

Table with columns: Conv. date, price, Bid, Offer, Change on week, Yield. Lists various convertible bonds like Ashl Opt'd 7 84, etc.

CONVERTIBLE BONDS (continued)

Table with columns: Conv. date, price, Bid, Offer, Change on week, Yield. Lists various convertible bonds like BSA Akt'bolag 7 83, etc.

Texaco marks time over Belridge stake

HARRISON — Texaco's decision on its stake in Belridge Oil, following Shell Oil's takeover offer for Belridge will be forthcoming in a couple of weeks, after evaluation of Belridge's reserves potential.

Texaco, which holds 17 per cent interest in Belridge, is "still examining options," Mr. Richard B. Palmer told petroleum industry analysts.

"We still have not crossed the bridge whether to stay in or to get out," he said. That decision "still has a few weeks ahead of us."

Texaco's present reserves of 1.5bn barrels of oil do not include its interest in Belridge. "Belridge has not been a part of Texaco's operations," said Mr. Palmer. Belridge has "big reserves, valuable reserves" which have to be considered in making a decision about the Shell offer.

Mobil Corporation, which holds about 17 per cent of Belridge, is also studying Shell's proposal, which calls for a cash price of \$3.665 a share for Belridge's 896,880 shares, or an acquisition valued at about \$3.6bn.

Earlier this week, Shell Oil disclosed that it is negotiating bank loans to finance its purchase of Belridge. The credits are likely to be for about \$2bn with Chase Manhattan Bank as lead manager.

In its third quarter, Belridge pushed net profits ahead by 130 per cent to \$25.3m or \$25.35 a share on revenues 94 per cent up at \$71.7m. Agencies.

Banks cautious over Chrysler rescue scheme

WASHINGTON — Mr. James Wolfensohn, Chrysler's chief financial adviser, said that its banks have not even agreed to maintain the car group's existing lines of credit, let alone pledged to deliver the new loans which Chrysler needs.

Mr. Wolfensohn, general partner of investment bankers Salomon Brothers, said that Salomon officials met with representatives of 141 Chrysler banks in Detroit last Friday in an effort to help the company find another \$1.5bn in private financing.

"We were asking the banks to do it to hold firm in the commitments that they are already in for, which is about \$1.6bn. Mr. Wolfensohn said at House hearings on proposed Chrysler aid legislation.

"At this minute, they are not rushing to say yes," said Mr. Wolfensohn. He described Chrysler's efforts to produce the extra private financing the Treasury has demanded as "a minefield of problems." Reuter

Companies and Markets INTL. COMPANIES and FINANCE

EUROPE'S GLASS INDUSTRY

U.S. plan worries fragile market

BY MARTIN TAYLOR

THE EUROPEAN glass industry is not at its most transparent at the moment. Everyone is waiting anxiously to see whether Pilkington's bid for the German, Dutch and Belgian interests of BSN-Gervais-Danone will be allowed to go ahead by the relevant authorities—none more relevant than the West German Cartel Office, which has a reputation for being difficult over such matters.

sent sell their glass in West Germany. For Saint-Gobain, Pilkington may be a more formidable adversary than BSN, as it has a substantial cost advantage through not having to pay itself royalties on the float glass process. Where the two have come

in Luxembourg, and seems to be pressing ahead, along with its partner, the Liechtenstein-based United Export Corporation, which controls some distribution outlets in Germany. The general feeling within the European industry is that Guardian, which is regarded as

the Luxembourg authorities, which is anxious to find jobs for its unemployed steelworkers. At the moment, some pressure is probably being put on the Grand Duchy to reconsider its position—if only by the Belgian Government, as the main Belgian glass producer, Glaverbel (one of the less exciting parts of the package being sold to Pilkington by BSN), is just being nursed back to precarious health.

World Float-Glass capacity

Table with 3 columns: Region, Number of Tonnes, Capacity per day. Rows include N. America, Europe, Japan, East bloc, Australia/S. Africa, and Total.

Europe, by company

Table with 3 columns: Company, Number of Tonnes, Capacity per day. Rows include Pilkington, Saint-Gobain, BSN, SIVE (Italy), Vermeire/Pennitalia, and One float is jointly operated by Saint-Gobain and SIVE.

Pilkington's major competitor, Sainr - Gobain - Pont - a - Mousso, will be displaced from its position as European market leader if the deal goes through, although it will still be dominant in the Continental EEC. It appears more or less resigned to the new order, however, and has publicly stated that it will not appeal to the European Commission against the bid.

At present, European glass capacity has very little slack. Even when Fischlag—the BSN subsidiary which is Pilkington's major bid target—opens its new 2,500 tonne per day float in Bavaria, supply and demand will be nicely balanced. Next year, demand from the construction and automobile industries may be expected to fall slightly. Western producers are hoping that the brunt of the adjustment will be borne by the Eastern bloc manufacturers, who at pre-

a disruptive force in its home market — "c'est le wild west," they say at Saint-Gobain — could hardly be timing its entry into the European glass industry more unfortunately. It threatens to add excess capacity at a vulnerable geographical point (Luxembourg stands at the centre of a cluster of major floats), which could start a price war in basic glass products. Guardian has been offered an attractive financial package by

Construction companies hopeful

BY ROGER BOYES IN BONN

WEST GERMANY'S two largest building companies, Hochtief and Philip Holzmann, look set to record satisfactory results this year, thanks to a domestic construction boom and the still substantial role of overseas business.

This picture emerged from interim reports released yesterday by the two companies, although the relative emphasis of foreign and domestic business within the concerns diverges sharply. Holzmann registered a 59 per cent increase in foreign turnover in the first nine months of the year to DM2.69bn (\$1.5bn) from DM1.69bn, domestic turnover by contrast rose by only 10.8 per cent to DM 1.3bn.

increase to DM 1.56bn on the domestic side, and a 12 per cent increase to DM 1.81bn in foreign business. Both companies have been trying to maintain a delicate balance between foreign and overseas trade. Over the past few years, they have expanded overseas interests to protect them from a depressed domestic market, but at the same time they have had to ensure that they do not financially over-extend themselves overseas.

Philip Holzmann recorded a better position in new orders primarily because of a DM 1.7bn follow-up contract from Saudi Arabia and DM 1bn of orders through the Jones group, its recently acquired U.S. subsidiary. Domestic orders rose by 23 per cent in the first nine months, but the company is expecting the normal seasonal drop in demand during the last quarter.

Higher payout at Beijerinvest

BY VICTOR KAYFETZ IN STOCKHOLM

THE BOARD of the Swedish trading, investment and industrial group Beijerinvest has announced more than three months before it is scheduled to issue preliminary figures for 1979, that it is to raise its dividend for the year by SKr 2.50 to SKr 8.50.

This move is aimed at encouraging holders of SKr 300m in outstanding convertible debentures to turn these in for Beijerinvest shares, thereby earning SKr 0.47 per share more than if they retained the debentures.

last year. In May Mr. Anders Wall, managing director, forecast earnings of SKr 100m, and in the half-year report he raised the figure to SKr 300m. Pre-tax earnings in January-September were some SKr 300m (\$70m) or turnover of just over SKr 10bn (\$2.35bn). This compares with a profit figure of SKr 5m on sales of SKr 5bn during the same period of 1978.

SKr 190m in pre-tax earnings recorded for January-June. The newly-predicted 1979 profit of more than SKr 400m, which includes proceeds from the sale of three ship contracts but excludes extraordinary income of roughly SKr 50m from the sale of shares, represents earnings of at least SKr 45 per share, or after full conversion of outstanding debentures about SKr 30 per share.

Dutch banks take stake in Eurocard

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH BANKS have decided to join Eurocard, the travel and entertainment credit card system already operated by banks in a number of other European countries. The Dutch Savings Banks' Association, the Bankers' Association representing the commercial banks and the agricultural co-operative bank, Centrale Rabobank, will acquire Eurocard Nederland and a 4 per cent stake in the holding company, Eurocard International, for about Fl 2m (\$1m).

The remaining shares in Eurocard International, which is based in Brussels, are held by banks throughout the rest of Europe, including Belgium, Denmark, West Germany, the UK and France. The Dutch banks will acquire all of the 2,500 Fl 1,000 nominal shares of Eurocard Nederland. Eurocard has 400,000 cards in issue throughout Europe, but it expects this number to grow to 2m, or 40 per cent of the market, by 1985. It is not marketed in the UK because of an agreement with three British clearing banks—Lloyds, Midland and National Westminster — which issue the Access credit card.

The banks in Europe are still studying plans for the issue of a uniform European travellers' cheque, but conflicting interests mean that this proposal has not yet been finalised.

Sulzer forecasts standstill

BY OUR FINANCIAL STAFF

THE SWISS-BASED machinery concern Gebrueder Sulzer expects no improvement in earnings for this year over last year's net of SwFr 34.3m (\$20m), the company said. This is in spite of a definite increase in demand for various product groups.

the company is still concerned about pressure on sales prices and insufficient use of capacity in some of its factories. Billed group sales in the first nine months were below the level of the previous year, but orders in hand rose, Sulzer said. No precise figures were given. The group forecasts that demand for diesel engines, boilers, weaving machines, beating and air conditioning equipment, in-

dustrial electronic products and hydraulic machinery will be at satisfactory levels. A final assessment of developments in the industrial plant sector depends on the outcome of negotiations for a large order from Argentina, the group said. The order in question is for the construction of a heavy water plant valued at up to SwFr 500m, for which it has already received a letter of intent from Argentina.

Earnings increase at MAN

By Our Financial Staff

NET PROFITS of Maschinenfabrik Augsburg-Nuerenberg (MAN), the major West German mechanical engineering and commercial vehicles concern for the year ended June 30 rose by just 4.2 per cent to DM 70.1m (\$39m). The company, which is controlled by the Gutehoffnungshuette engineering group, is to pay an unchanged dividend of DM 7 after the allocation of DM 20m to reserves, down from DM 26m last year.

MAN announced earlier in the year that earnings would not be satisfactory in all sectors despite increased turnover and orders. The inflow of orders over the first few months of the current financial year has been below last year's level, MAN said yesterday. Utility vehicles and large diesel motors have experienced a rise in the inflow of orders, but the concern considers demand in the rest of the mechanical engineering sector to be unsatisfactory. MAN hopes that demand in the energy supply sector will improve this year.

Rolingo boosts share buying

By Our Amsterdam Correspondent

THE DUTCH share investment fund, Rolingo, made extensive purchases on the world's stock markets, particularly in North America and Japan, during the second half of the 1978-79 financial year. It reduced its cash holdings to less than 5 per cent at the end of August, from 13 per cent in February.

In its review of the world economy, Rolingo said that it expects a slower but steadier rate of growth during the 1980s compared with the current decade, as countries adjust to higher oil prices. The subsequent improvement in the position of trade and industry should result in a rise in share prices, it added.

In the U.S., Rolingo continued its purchases of technology and energy stocks in the second half of its financial year, extending its interest in Getty shares in Great Basins Petroleum, Inexco Oil, and Poljarid, among others. In Canada, its portfolio showed a small shift towards the raw materials sector with the purchase of stock in Canadian Pacific Investments.

In West Germany, net sales occurred, although Rolingo bought chemical stocks, Siemens, Daimler-Benz, and Munich Reinsurance, among others. In France and Belgium, net purchases occurred, while the Dutch portfolio was largely unchanged. In Japan, purchases are dominated, with Rolingo edging Fujitsu, Hirose Electric, and Mitsubishi Corporation to its portfolio.

It bought in 2.1m of its own shares during the year, reducing the number in issue to 16.9m at the end of August. Rolingo, like the other Robesco funds, buys back and sells its own shares in response to stock market demand, setting the daily stock exchange price according to the value of its assets.

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INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

Downturn at Japanese security houses

By Our Tokyo Correspondent
THE BIG FOUR securities houses in Japan suffered declines in net profit in the year to September 30 as result of sharp drops in, in two cases, losses, on bond commissions and sales. The bond market for most of the year was severely disrupted by the heavy schedule of National bonds which the Government has tried to float, and a more cautious approach to the raising of capital through convertible bond issues by companies.

Nomura Securities, the largest of the four, showed the smallest setback, but its net profit nevertheless dipped 7.8 per cent to ¥37,548m (\$152m). Nomura was the only house to register an increase in revenues, a slight 1.6 per cent to ¥206,158m, experiencing an 11 per cent drop (\$836m). Nomura, while in bond commissions, had an unusually high increase in commissions from stocks of 32.1 per cent.

At the same time, Nomura expects its consolidated statement to be released in January, to show record net income in excess of ¥40bn, or some 14 per cent or more above the 1977-78 level.

On the other hand, Nikko Securities, ranked number two in terms of revenues, was hit hardest with a decline of 35.3 per cent in net profit to ¥21,048m (\$85.5m). Revenues were off 31.1 per cent to ¥119,718m (\$485m). Commissions on both stocks and bonds fell, and the company has a ¥5.17bn loss on selling and buying securities for its own account (¥4,066bn in bonds alone).

Daikwa Securities saw its revenues drop by 2 per cent to ¥110,058m (\$446m) which led to a 11 per cent dip in net profit to ¥14,688m (\$59m). Yamaichi also recorded a 1 per cent decline in revenues to ¥105bn (\$426m) and a 7.8 per cent drop in net profits to ¥13,082m (\$51m). Yamaichi had a loss of ¥161m on its own securities trading business, but, unlike Nikko, the biggest setback was on the equities side.

The Government's plan to issue over ¥15,900bn in national bonds this fiscal year to March 31, 1980 was the biggest factor in bringing about the poor performance. The Government needs the bond revenue to fund nearly 40 per cent of its budget this year, an unprecedented amount for Japan. The bond market suffered seriously, and despite Government efforts to reinforce the market, has yet to fully recover.

The Government will probably be forced to depend on a large amount of bonds next year also, as plans to implement a new general excise tax have been shelved. The securities houses are forecasting that earnings this year will remain flat or show a slight recovery.

OCBC in Hong Kong
Overseas-Chinese Banking Corporation (OCBC) of Singapore has established a new subsidiary company in Hong Kong, OCBC Finance (Hong Kong) AP-DJ reports from Singapore. The new unit, a "deposit-taking company" has an authorised capital of HK\$5m (U.S.\$1m) and a paid-up capital of HK\$2.5m. Although the Hong Kong Government has been restricting the number of new bank offices that can be opened in the colony, deposit-taking companies are unaffected by the official policies.

JAPANESE STEEL MANUFACTURERS

Sharp recovery in first-half earnings

BY RICHARD C. HANSON IN TOKYO

JAPAN'S big integrated steel manufacturers have reported sharp recoveries in earnings for the half-year ended September 30 to record levels as prices on steel at home and abroad have risen. The outlook for the latter half of the fiscal year has also brightened, partly as a result of the year's depreciation which is boosting export revenues. The companies remain cautious, however, over how much soaring oil prices will affect the Japanese economy, in which demand has been buoyant.

Exports have not fared as badly as was earlier expected, mostly because of the increase in prices and a shift to shipments of higher value added steel products. Exports for the last quarter of the calendar year, 1979 have proved much healthier than had previously been foreseen.

The bulk of the improvement in prices has apparently been on the export side, but the industry is gearing up to raise the contract prices on its domestic shipments from the beginning of next year.

All five companies have restored the mid-term dividend, which must have dropped over the past two years because of a prolonged slump. Nippon Steel, the largest steelmaker in the world, reported a 453 per cent rise in net profit to ¥59,199m (\$240m) on a 16.6 per cent increase in sales to ¥1,336bn (\$5.4bn). It expects, however, that second half net sales will be about 20-30 per cent below those of the first half. The level of crude steel production was up only 2.8 per cent, using roughly 75 per cent of capacity, but the company was able to raise the average price of steel (both

exports and imports) by 6 per cent.

Kawasaki Steel had a 436.6 per cent rise in the half year net profit to a record ¥48,590m (\$210m) on a sales increase of 20.5 per cent to ¥582,030m (\$2.2bn). Raw steel output increased by 6.9 per cent, and the average price of the company's products gained 10 per cent. Its export ratio increased to 36.5 per cent of sales from 29.1 per cent a year ago.

Kawasaki is forecasting that it will post another half-year record for net profit in the current period, ending next March with higher export prices offsetting a slight decline in export volume.

Nippon Kokan also posted a 438.5 per cent rise in net profit to ¥15,890m (\$64.4m) on a sales increase of 16.9 per cent to ¥610,660m (\$2.5bn). The company's shipbuilding division

showed some recovery in new orders and in orders for energy related construction.

Sumitomo Metal Industries had a 508.2 per cent rise in net profit to ¥23,450m (\$95m) on a sales increase of 19.7 per cent to ¥591,710m (\$2.4bn).

Kobe Steel sales rose 12.9 per cent to ¥485,840m (\$1.97bn), while net profit increased 186 per cent to ¥13,890m (\$56m).

The companies will enter into negotiations next month with China on plans for shipments during the first half of 1980. China after becoming the major overseas market in 1978, cut back on import plans in the second half of this year to about one third of the first half, negotiated level of 2.4m tonnes. Next year the companies believe that China will continue to accept much less than the 1978 peak of around 5m tonnes.

Barclays in factoring venture

BY OUR TOKYO CORRESPONDENT

THE BARCLAYS Bank group has entered into an agreement with the Seibu group of retail stores in Japan to form a joint venture finance company to handle factoring business, Seibu announced yesterday.

Barclays has recently expanded rapidly internationally into consumer finance, and the Japanese venture, named Midoriya Finance Company, appears to be part of that strategy. Barclays will take a 45 per cent share, with four Seibu group companies holding

55 per cent.

The company will be capitalised at ¥50m, with an authorised capital of ¥200m. It will initially centre on the Seibu group operations themselves. Barclays is not the first foreign bank to become involved in this kind of business in Japan (Citicorp has a venture with Nippon Shuppan, which pioneered consumer credit in Japan).

Seibu is one of the largest retailing groups in Japan, with

large interests in transport and other areas.

ALPS ELECTRIC, the Japanese electric appliances company, increased its net profit by 42 per cent to ¥1,170m (\$4.7m) in the first half of its financial year, from ¥817m in the six months to September, 1978.

Operating profit rose 20.5 per cent to ¥2,210m, from ¥1,830m. Sales were increased 11.9 per cent to ¥49,200m (\$197m), from ¥44,030m.

Profit rise foreseen by SAB

BY JIM JONES IN JOHANNESBURG

AMID THE debate over the reorganisation of South Africa's liquor industry, South African Breweries has reported operating profits for the first half of the financial year up 24 per cent to R56.8m (\$68.4m), from R45.8m in the six months to September 1978.

Strong contributions from the beer and non-beer divisions helped first-half turnover to advance 16.7 per cent to R388m (\$1bn), from R744m.

The Board says that a satisfactory increase in attributable group profits is expected in the second-half. But now that SA Breweries has a complete monopoly of the country's beer market, there are few Johannes-

burg analysts who believe that the second half advance will be anything but very strong. Fighting the beer war with Rembrandt's Intercontinental Breweries has taken a toll on beer profits, through discount sales and heavier than necessary advertising and marketing expenses. And it has also meant a diversion of available funds into financing retail outlets. These costs should now revert to more satisfactory levels and result in a better balance between cost and profits.

But it is not only in the beer division that better results are forecast. The group's furniture retail and hotel interests are all looking for solid second-half

earnings advances and now that SAB's wine and liquor interests are to be incorporated in the newly-established Cape Wine Distillers, in which SAB will have a 30 per cent equity stake, wine and spirits earnings are expected to record advances.

From first half earnings per share of 9.69 cents, against 7.64 cents, a 4 cent interim dividend has been declared, compared with 3 cents. In the year to March 31, earnings per share amounted to 25.66 cents and two dividends, totalling 12 cents, were paid. In Johannesburg, South African Breweries shares are currently trading at 260 cents.

New chairman to face El Al difficulties

BY L. DANIEL IN TEL AVIV

THE APPOINTMENT of Abram "Buma" Shavit as the new Board chairman of El Al Airlines underscores both the difficulties in which the company finds itself and the determination of the country's brand new Finance Minister, Yigael Hurvitz, not to go on subsidising El Al indefinitely. Mr. Shavit, hitherto chairman of the country's Manufacturers Association, was appointed by the new Finance Minister because he has a reputation for achievement, and because he has for the past two years been an outspoken critic of Government economic policy.

Mr. Shavit's appointment follows the resignation on Tuesday of the previous Board chairman, Mordechai Ben-Ari, a veteran of El Al who contributed much to the growth of the airline. But Ben-Ari was unable to prevent frequent strikes by various sections of the airline's labour force—strikes which each time resulted in a stoppage or dislocation of flights. This, in turn, led many passengers to switch to other airlines. As a result El Al was in the red for the first time in the past fiscal year, and this year's loss was threatened to exceed \$50m.

One of the first pronouncements by the new Finance Minister was that he did not intend to tolerate this. A country with Israel's balance of payments problems cannot, he said, afford this. He called for immediate reorganisation, and the Board chairman Ben-Ari tendered his resignation.

Ben-Ari had formulated plans to meet the company's problems by selling off several of El Al's older planes, to replace them with more economic ones, and to lay off one quarter of the airline's staff of 6,000. The incoming chairman, Buma Shavit will inherit problems. But he will have the full backing of the new Finance Minister, who assumed office less than a week ago. It is not clear whether the new Minister will go so far as to order the closure of the airline if lay-offs cannot be effected without more sanctions or strikes. Israel is in a unique position in that, in flights, this, in turn, led many passengers to switch to other airlines. As a result El Al was in the red for the first time in the past fiscal year, and this

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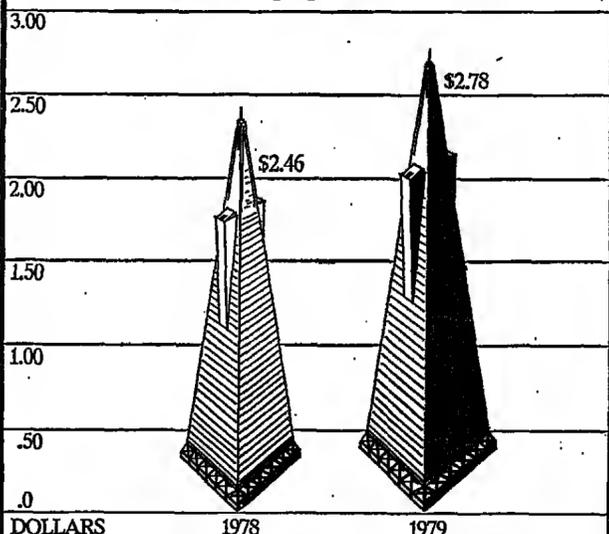
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For the six months 15th November, 1979 to 15th May, 1980 the Notes will carry an interest rate of 15 1/2 per cent. per annum. The Notes are listed on The Stock Exchange in London.

Principal Paying Agent: European-American Bank & Trust Company, 10 Hanover Square, New York, NY 10005 USA. Agent: Morgan Guaranty Trust Co. of New York, London



Bank of Tokyo (Curaçao) Holding N.V. U.S. \$60,000,000 Guaranteed Floating Rate Notes due 1984

For the six months 15th November, 1979 to 15th May, 1980 in accordance with the provisions of the Note, notice is hereby given that the rate of interest has been fixed at 15 1/2 per cent. and that the interest payable on the relevant interest payment date, 5th May, 1980 against Coupon No. 5 will be U.S. \$78.15. These Notes are listed on the Luxembourg Stock Exchange.

By: Morgan Guaranty Trust Company of New York, London Agent Bank.

NOTICE

To the Holders of CITY OF OSLO Kuwaiti Dinars 10,000,000 7% Bonds due 1990

Pursuant to Clause 5(E) of the terms and conditions of the Bonds the City of Oslo has purchased nominal KD 400,000 of the Bonds to be applied in full satisfaction of its obligation to redeem Bonds on 15.12.1979 under Clause 5(A) of said Terms and Conditions.

The outstanding balance of bonds after 15.12.1979 will be nominal KD 9,600,000.

by Kuwait International Investment Co. s.a.k. as Fiscal Agent



The Hokkaido Takushoku Bank, Ltd. Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity Date 16th November 1981

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 15th November 1979 to 15th May 1980 the Certificates will carry an Interest Rate of 15 1/2 per annum.

Agent Bank Hill Samuel & Co. Limited, London.

Weekly net asset value on November 12, 1979

Tokyo Pacific Holdings N.V.	U.S. \$64.34
Tokyo Pacific Holdings (Seaboard) N.V.	U.S. \$46.88

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson HV Herengracht 214, Amsterdam.

VONTBEL EUROBOND INDICES 14.5.76=100%

PRICE INDEX	13.11.79	6.11.79	AVERAGE YIELD	13.11.79	6.11.79
DM Bonds & Notes	84.75	85.15	HF Bonds & Notes	2.052	2.912
Gen. Dollar Bonds	87.76	88.74	U.S. \$ Sirt. Bonds	11.281	11.187
U.S. \$ Sirt. Bonds	87.00	88.00	Can. Dollar Bonds	12.175	11.258

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For the six months 15th November, 1979 to 15th May, 1980
The notes will carry an interest rate of 15 1/2 per annum.
Interest payable on the 15th May, 1980 against coupon No 3 will be U.S. \$76.15.
The notes are listed on the Luxembourg Stock Exchange.
Agent bank: Morgan Guaranty Trust Company of New York, London.

The January 1980 issue of **THE BANKER**
will include **THE PROSPECTS FOR THE EUROMARKETS IN 1980**

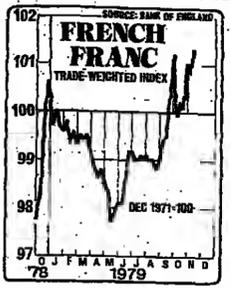
- ★ How will the Euromarkets settle down after the upheavals of 79.
- ★ How to make rescheduling more efficient.
- ★ The British banks in the Euro-Currency, Credits & Bond markets after UK exchange controls abolition.
- ★ The rapid growth of the Euro-DM markets.
- ★ The American banks abroad.
- ★ Who are the leading banks in the Euro-Currency, Credits & Bond markets.

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Dollar nervous

THE DOLLAR fluctuated sharply in currency markets yesterday as news of Iran's decision to withdraw funds held in the U.S. banks was countered by President Carter's announcement of a freeze on all Iranian assets.

trade weighted index, which fell to 67.7 from 68.0, having stood at 67.6 of noon and 67.9 in the morning.



offer in New York, the pound rose to a best level of \$2.1150 before closing at \$2.1130-2.1140.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three p.a. months, % p.a. month. Lists various countries and their exchange rates.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three p.a. months, % p.a. month. Lists various countries and their exchange rates.

CURRENCY MOVEMENTS

Table with columns: Nov. 13, Bank of England, Special Drawing Rights, European Currency Unit, Nov. 14, Bank of England, Index changes %.

OTHER MARKETS

Table with columns: Nov. 14, Argentina, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Kuwait, Luxembourg, Malaysia, New Zealand, Norway, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, Turkey, U.K., U.S., West Germany, Yugoslavia.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, ECU central rate, % change from central rate, % change from adjusted rate, Divergence from %.

EXCHANGE CROSS RATES

Table with columns: Nov. 14, Pound Sterling, U.S. Dollar, Deutsche Mark, French Franc, Dutch Guilder, Canadian Dollar, Italian Lira, Belgium Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Nov. 14, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

European rates steady

European short-term interest rates showed little change, apart from a general easing of money in the Frankfurt interbank market.

GOLD

Firmer tendency

Gold rose \$3 an ounce in the London bullion market yesterday to \$390.391 in active trading.

UK MONEY MARKET

Small shortage

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1978).

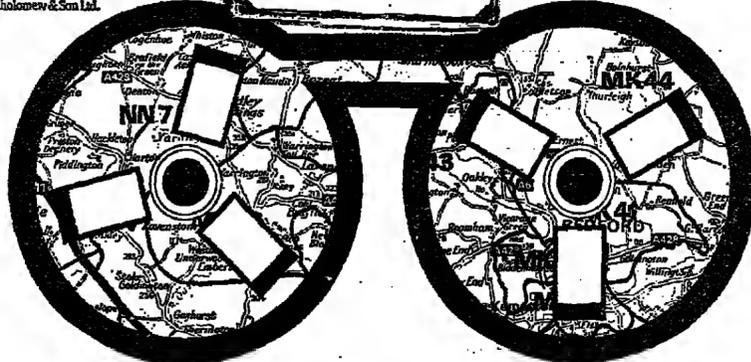
MONEY RATES

Table with columns: NEW YORK, Prime Rate, Fed Funds, Treasury Bills, GERMANY, Discount Rate, Overnight Rate, One month, Three months, Six months, FRANCE, Discount Rate, Overnight Rate, One month, Three months, Six months, JAPAN, Discount Rate, Call, Six-month.

LONDON MONEY RATES

Table with columns: Nov. 14, 1978, Sterling, Interbank, Local Authority deposits, Finance House deposits, Company deposits, Discount market, Treasury Bills, Eligible Bills, Fine Bills.

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New Issue These Bonds having been sold, this announcement appears as a matter of record only. November 1979



European Investment Bank

DM 100 000 000.-

8 1/2 % Bonds of 1979/89 - Private Placing -

- List of banks: Berliner Handels- und Frankfurter Bank, Morgan Grenfell & Co. Limited, Baring Brothers and Co., Robert Fleming & Co. Limited, Hambros Bank Limited, Hill Samuel & Co. Limited, Kleinwort, Benson Limited, Lazard Brothers & Co., Samuel Montagu & Co. Limited, N. M. Rothschild & Sons Limited, J. Henry Schroder Wagg & Co. Limited, S. G. Warburg & Co. Ltd.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Jan., Last, April, Last, July, Last, Stock. Lists various options contracts.

BASE LENDING RATES

Table with columns: Bank Name, Rate. Lists various banks and their base lending rates.

WORLD STOCK MARKETS

Wall St. mixed at mid-session

AFTER FURTHER retreating over a broad front at the outset yesterday, Wall Street picked up to present a mixed appearance at mid-session following moderate activity.

The Dow Jones Industrial Average, which was 5.97 lower at the 10.30 a.m. calculation, recovered to 814.16 at 1 p.m. for a net gain of 0.08.

The stock market reacted cautiously to new developments in Iranian-U.S. relations. Iran wants to withdraw funds held by U.S. banks, but the U.S. has frozen movement of Iranian Government assets.

Some investors took heart from the U.S. action demonstrated U.S. resolve and could marshal U.S. public opinion behind the President's conservation.

However, they added that other were worried about possible adverse reactions from Arab oil producing states. Blue Chips and Bank stocks initially lost ground but many later recovered.

However, Chase National Bank fell off \$51.75 to \$51.00, while Citicorp was 52.125 to 52.00.

Oils were firmer on balance. California Standard added 1/4 to 57.75, Mobil 1/4 to 50.00, and Superior Oil 1/4 to 52.25.

Investors were generally reserved due to the Iran situation, but there was a fair amount of selective buying.

raising the quarterly dividend. Rohn has won a contract to supply switching equipment to Hong Kong Telephone, but fell 1/4 to \$34.75.

Metro-Goldwyn-Mayer were unchanged at \$17.75 when trading was halted pending news that it may split into two companies.

THE AMERICAN SE Market Value Index was a net 0.60 up to 213.93 at 1 p.m., after declining to 212.34. Volume 2.18m shares (2.65m).

Canada Stocks were easier for choice after light early dealings. The Toronto Composite Index shed 1.9 to 1,613.2 at noon, while the Metals and Mining Index declined 5.2 to 1402.1 and Banks 2.4 to 270.07.

Leaders headed the advance as Tuesday's interest in Hong Kong Land and HK Wheat shares spread across the board yesterday, prompted by market expectations that local interest rates will remain unchanged at Saturday's Exchange Bank Association meeting.

Jardine Matheson advanced 20 cents to HK\$14.80, HK Bank 60 cents to HK\$19.20, Swire Pacific 40 cents to HK\$23.20 and HK Land 20 cents to HK\$31.00.

Hongkong Wharf were 50 cents higher at HK\$50.00, while Hutchison Properties added 40 cents at HK\$21.40, Cheung Kong 30 cents at HK\$19.20, Tai Cheung 20 cents at HK\$2.65, and Hang Seng Bank HK\$2.50 to HK\$3.00.

Investors were generally reserved due to the Iran situation, but there was a fair amount of selective buying.

Public Authority Bonds were narrowly mixed, with some gains up to 40 pence and others losing up to 40 pence.

The Nikkei-Dow Jones Average picked up 12.36 to 6,414.11, although rises and falls on the First Market section were evenly matched. Volume came to 320m shares, compared with Tuesday's 330m.

Real Estate and Life Insurance stocks gained ground on speculation that their earnings will improve under the inflationary economy. Mitsui Real Estate up 1/4 to Y560 and Tokyo Marine Insurance Y13 to Y645.

Dredging company stocks such as Goyo Construction, up 1/4 to Y270, were hunted by speculative investors on market talk that there were plans for constructing a second Panama Canal.

Most Shipping issues continued to advance, along with some Shipbuilders, while good business results attracted buyers to Steels, but Petrochemicals and export-related shares retreated.

In Shippings, Nippon Yusen moved up Y11 to Y365, while particular bright spots elsewhere included Nippon Yusen up Y13 to Y370, Nippon Yusen up Y16 to Y380, and Daifuku Motor, also Y16 to the good at Y320.

However, Toyota Motor lost Y20 to Y830, Sony Y40 to Y1,800, Nippon Oil Y10 to Y2,100, Toa Nenryo Y20 to Y1,000, and Maruzen Oil Y16 to Y495.

Bourse prices mainly declined on low turnover, with brokers saying that the downturn was a combination of market reaction to Tuesday's rally and news that Iran wishes to withdraw around U.S.\$12bn from banks in the U.S. Market sources added that high interest rates also continued to exert pressure on the market.

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

STOCK

Table of stock prices for various companies, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

CANADA

Table of stock prices for various companies in Canada, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

FRANCE

Table of stock prices for various companies in France, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

GERMANY

Table of stock prices for various companies in Germany, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

INDICES

Table of market indices including Dow Jones, Standard and Poors, and various regional indices.

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FRANCE

Table of stock prices for various companies in France, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

GERMANY

Table of stock prices for various companies in Germany, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

HOLLAND

Table of stock prices for various companies in Holland, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

FRANCE

Table of stock prices for various companies in France, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

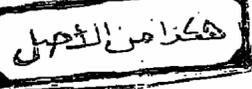
GERMANY

Table of stock prices for various companies in Germany, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

HOLLAND

Table of stock prices for various companies in Holland, including columns for Stock, Nov. 15, Nov. 14, and Nov. 13.

Financial Times Thursday November 15 1979



Companies and Markets

COMMODITIES AND AGRICULTURE

ORKNEY AND SHETLAND

Stronger pound hits futures

By Our Commodities Staff THE STRENGTH of sterling against the dollar yesterday brought a general fall in prices on the leading London soft (non-metal) commodity markets.

London to hit back at U.S. commodity charges

BY JOHN EDWARDS, COMMODITIES EDITOR LONDON COMMODITY markets are planning an angry protest against the attack on British "secrecy" in futures trading delivered earlier this week by Dr. James Stone, chairman of the U.S. Commodity Futures Trading Commission.

Grimsby skipper summonsed

By Richard Mooney AS A UK fishery minister praised law-abiding British fishermen, the Ministry of Agriculture revealed yesterday that the skipper and owners of a Grimsby trawler were being summonsed for alleged herring "poaching."

Cash aid will ease farming crisis

BY A CORRESPONDENT to its agriculture. In 1977 for instance, the gross product of the islands was £17.5m, of which £9.7m came from agriculture.

Platinum boom ended, says Swiss bank

ZURICH—The boom in platinum prices appears to have passed its peak and the market is in an exposed position after speculative excesses, according to the Swiss bank, Credit Suisse.

Gloomier outlook for rubber

BY RICHARD COWPER PROSPECTS for world rubber consumption are far gloomier than many recent forecasts had indicated, according to a report by the secretariat of the International Rubber Study Group (IRSG).

Thai Ministry asked to ban jute imports

BANGKOK—The Thai Jute Association has asked the country's Minister of Commerce to ban jute imports, which it claims have depressed local prices.

Record profit for Wool Corporation

BY PATRICIA NEWBY IN CANBERRA THE AUSTRALIAN Wool Corporation has announced a record operating profit of £42.1m (£12m) for the financial year ending June 30.

BRITISH COMMODITY MARKETS

Table with columns for Commodity, Unit, and Price. Includes sections for Base Metals (Copper, Zinc, Lead), Tin, and Wheat.

One month Gold 392.3-398.4 29 Lamont Road, London SW6 0ES. 1. Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

Table for Insurance Base Rates showing Property Growth and Vanbrugh Guaranteed rates.

Advertisement for DON'T and DO. Includes text: 'rush into overseas investments without being fully familiar with the situation' and 'DO take advantage of the services of the leading U.S. commodity broker.'

Advertisement for LONDON COMMODITY CHARTS. Includes text: 'Daily High/Low close charts' and 'Please send me details updated to Friday's close.'

RUSSIA

Table for Russia commodity prices including Wheat, Barley, and Beans.

COFFEE

Table for Coffee prices including Arabica and Robusta grades.

ALUMINIUM

Table for Aluminium prices including primary and secondary grades.

NICKEL

Table for Nickel prices including primary and secondary grades.

SILVER

Table for Silver prices including spot and futures contracts.

WHEAT

Table for Wheat prices including various international grades.

COCOA

Table for Cocoa prices including various international grades.

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Table for Cocoa prices including various international grades.

AMERICAN MARKETS

Table for American commodity prices including Wheat, Corn, and Soybeans.

EUROPEAN MARKETS

Table for European commodity prices including Wheat, Corn, and Soybeans.

INDICES

Table for various financial indices including Dow Jones and FTSE 100.

MEAT/VEGETABLES

Table for Meat and Vegetable prices including Beef, Pork, and various vegetables.

Companies and Markets

LONDON STOCK EXCHANGE

Despondency returns on economic and financial fears with trade deficit causing additional gloom

Account Dealing Dates
Options
*First Declared Last Account
Dealings Dates
Nov. 15 Nov. 16 Nov. 26
Nov. 19 Dec. 6 Dec. 7 Dec. 17
Dec. 20 Dec. 27 Jan. 7

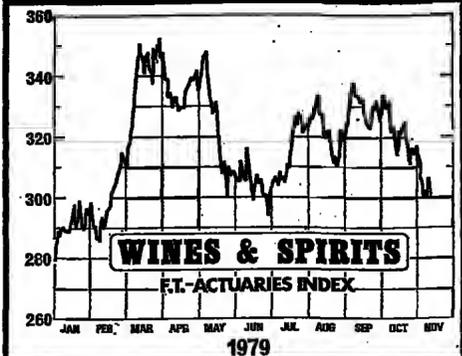
contracted sharply, the 283 deals
transacted being the lowest since
September 17. EMI, 88 trades,
and BP, 69, attracted most of
the business.

Minet suspended
Despite the better-than-expected
third-quarter profits,
General Accident dipped 6 to
10 down at 250p, and
Minet suspended.

worth fell away on the figures
to finish 5 down on the day at
56 1/2p, after 56p, while W. H.
Smith "A" lost 2 to 130p

of GEC's cash offer worth 286p
per share. Lower interim profits
left Porter Chadburn 2 down at
70p, while acquisition news failed
to benefit Teacomet, a penny
cheaper at 70p.

the equity market, Oil shares
turned easier but final quotations
were above the worst. Turnover
in British Petroleum partly
paid new shares was
relatively brisk and, after touching
154p, the price partially
recovered to close a net 4
cheaper at 156p.



FT-ACTUARIES SHARE INDICES

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Wed., Nov. 14, 1979, Tues. Nov. 13, Mon. Nov. 12, Fri. Nov. 9, Thurs. Nov. 8, Year ago (approx.). Rows include CAPITAL GOODS, BUILDING MATERIALS, CONTRACTING, etc.

ACTIVE STOCKS

Table with columns: Stock, Denomina- No. Closing Change 1979 1979. Rows include Shell Transport, Cons. Gold Fields, ICI, etc.

DEALING DATES

Universal, Poseidon, GUS A,
British Land, Shell Transport,
Woodside, Brady Inds. A,
Wearra, Ultramar, Nottingham
Manufacturing and Weeks

RECENT ISSUES

Table with columns: Issue Price, Amount, High, Low, Stock, 1979, 1978. Rows include 563 180, 190, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Price, Amount, High, Low, Stock, 1979, 1978. Rows include 4 210 8111, 300, etc.

LONDON TRADED OPTIONS

Table with columns: Option, Exercise Price, Closing offer, Val., Closing offer, Val., Closing offer, Val., Equity close. Rows include 800 Int., 500 Int., etc.

LEADERS AND LAGGARDS

The following table shows the percentage change which has taken place since December 29, 1978, in the primary equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

UNIT TRUST SERVICE

Table with columns: Royal Trust (C.I.) Fd. Mgt. Ltd., P.O. Box 121, St. Peter Port, Guernsey, etc.

FINANCIAL TIMES STOCK INDICES

Table with columns: Nov. 14, Nov. 13, Nov. 12, Nov. 11, Nov. 10, Nov. 9, Nov. 8, Nov. 7, A year ago. Rows include Government Secs., Fixed Interest, Industrial, etc.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: 1979, Since Compil'd'n, Nov. 14, Nov. 13. Rows include Govt. Secs., Fixed Int., Ind. Ord., Gold Mines.

NEW HIGHS AND LOWS FOR 1979

Table with columns: NEW HIGHS (6), FOREIGN BONDS (1), NEW LOWS (276). Rows include BRITISH FUNDS (276), BUILDINGS (13), etc.

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Corporate, Foreign Bonds, Industrial, etc.

* Redemption yield. Highs and lows record latest date and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Brackley House, Cannon Street, London, EC4A 3DF, price 14p, by post 22p.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and Norwich Union.

PROPERTY—Continued

Table of property stocks including companies like British Land, Wimpey, and Bovis Lend Lease.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust, Fidelity Investment Trust, and Guinness Investment Trust.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Continental, Anglo-Continental Finance, and Anglo-Continental Land.

WAKO SECURITIES CO., LTD. Tokyo, Japan. London Branch Office. 15th Floor, Leas House, London, EC2A 4BA.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

COPPER

Table of copper stocks including companies like Anglo American, De Beers, and Anglo Coal.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo American, De Beers, and Anglo Coal.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in 25p. Estimated price/earnings ratios and...

REGIONAL MARKETS

Table of regional market data for various countries including Australia, Canada, and New Zealand.

OPTIONS

Table of options data including 3-month call rates for various stocks.

LEISURE

Table of leisure stocks including companies like British Airways, British Telecom, and British Petroleum.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Airways, British Telecom, and British Petroleum.

SHIPPING

Table of shipping stocks including companies like British Airways, British Telecom, and British Petroleum.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Airways, British Telecom, and British Petroleum.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Coal.

TEXTILES

Table of textile stocks including companies like Anglo American, De Beers, and Anglo Coal.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo American, De Beers, and Anglo Coal.

PAPER, PRINTING

Table of paper and printing stocks including companies like Anglo American, De Beers, and Anglo Coal.

PROPERTY

Table of property stocks including companies like Anglo American, De Beers, and Anglo Coal.

TOBACCO

Table of tobacco stocks including companies like Anglo American, De Beers, and Anglo Coal.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo American, De Beers, and Anglo Coal.

FINANCE

Table of finance stocks including companies like Anglo American, De Beers, and Anglo Coal.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, De Beers, and Anglo Coal.

INSURANCE

Table of insurance stocks including companies like Anglo American, De Beers, and Anglo Coal.

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DUTCH OPPOSITION DISMISSED AS 'UNREALISTIC'

Agreement on missiles near

BY REGINALD DALE IN THE HAGUE

NATO Defence Ministers yesterday cleared the way for a decision to instal a new generation of American nuclear missiles in Western Europe despite strong reservations from the Netherlands. Formal approval is expected at a joint meeting of the Alliance's Foreign and Defence Ministers in Brussels in mid-December.

At the same time Mr. Harold Brown, the U.S. Defence Secretary, said that no decision had been taken at this week's meeting of the 11-nation Nuclear Planning Group, on withdrawing a substantial number of largely outdated American nuclear warheads. But he stressed that the Alliance now accepted that this was "militarily feasible". The aim is to pull back 1,000 of the warheads, out of the 7,000 or so currently in Europe, in response to President Brezhnev's "peace initiative" launched in East Berlin last month.

Mr. Francis Pym, the UK Defence Minister, who does not deny being "hawkish" on the

issue, insisted that the Alliance could not afford to delay its own nuclear modernisation programme in the hope of progress on arms control.

The Dutch, in two days of talks here, have taken a lone stand in arguing that although production of the new \$4bn weapons systems could go ahead, deployment should be delayed until further arms control initiatives have been explored with the Warsaw Pact.

Both Mr. Pym and Mr. Brown yesterday dismissed the Dutch position as totally unrealistic. The U.S. Congress would not agree to finance the programme without a detailed deployment decision, Mr. Brown said, and a vague decision of principle was not enough. On top of the \$4bn cost of producing the new weapons, some \$150m would be spent on infrastructure.

The Dutch still hope that modifications to the NATO plan can be made between now and the December meeting. The

Hague Government faces serious Parliamentary resistance to the programme, under which 572 Cruise and Pershing II missiles would be deployed in five West European countries—Britain, West Germany, Italy, Belgium and the Netherlands.

The Dutch Cabinet will try to agree its position on December 7, only a few days before the crucial Brussels meeting. But all the signs here yesterday were that the other countries would proceed regardless of the Dutch view—even at the risk of causing a serious split in the Alliance.

Herr Hans Apel, the West German Defence Minister, indicated that Bonn was ready to go ahead, given that Italy and Belgium appear to be prepared to have the new missiles based on their soil. West Germany has insisted that it must not be the only Continental country to participate in the programme, designed to counter the growing threat to Western Europe posed by a new Soviet nuclear weapons

Two top City firms plan merger

BY JOHN MOORE

GRIEVESON, Grant and J. A. Scrimgeour, two of the City's leading stockbrokers, are engaged in talks which could lead to a merger of the firms if the deal is completed. It is likely to be the largest UK stockbroking merger ever.

Talks between the two firms began nearly 12 weeks ago but details have still not been settled. Both Grieveson, Grant and Scrimgeour are confident that they will complete the merger in the next few weeks.

Grieveson Grant has a total of 46 partners and a staff of more than 480, while Scrimgeour has the equivalent of 22 partners and a staff of about 150.

Mr. Andrew Rutherford, senior partner of Grieveson, who is likely to become senior partner of the merged firm, said yesterday that the move marked a "looking forward to the 1980s, not so much from survival but from leading the way."

He explained that the sort of service required in the future would be more worldwide. "I feel the opportunities to everyone from the absence of exchange controls have not been fully appreciated," Mr. Rutherford added that he felt there were many more mergers to come in London stockbroking.

Mr. Hugh Kass, chairman of Scrimgeour, warned that the 1980s "could be quite a rough ride for the profession."

Scrimgeour's own results are likely to show profits down on last year's total of £800,000 for the financial year ending in September.

Mr. Grieveson, the merger was seen as bringing strength in corporate finance and research. Both sides had a "remarkable fit" in gilt and industrial activities.

For Scrimgeour it would bring strength in overseas markets.

The new firm is likely to be a partnership but its name has yet to be decided. Both existing names are expected to be incorporated in the new title.

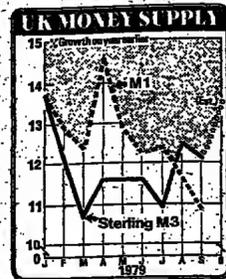
No redundancies are planned among the broking staff. "We are expanding, not contracting," Mr. Rutherford said.

The announcement follows the recent merger of stockbrokers Joseph Selig and W. I. Carr.

THE LEX COLUMN

Preparing for the package

Index fell 13.5 to 410.0



With Tuesday's bubble of modest optimism swiftly pricked, the City was clearing the decks yesterday for today's financial statement from the Government. Whatever National Westminster Bank may have thought a couple of days ago, when it plumped for 15 1/2 per cent, the money market yesterday reflected the view that the Minimum Lending Rate would go to 16 per cent. Thus three-month interbank rates rose the best part of half a point to 3 1/2 per cent, and hot Treasury bills moved to a discount rate of some 1 1/2 per cent, corresponding to the old market-related formula to MLR of 16 per cent. Meanwhile gilt-edged prices slumped by up to 1 1/2 points, as the market reassessed the likely yields at which the Government broker would be a big seller.

The FT Government Securities Index has returned to almost exactly the year's low in early February—in uncanny similarity to circumstances.

There are a number of ingredients which the Government could serve up in today's hot pot, though most of them are liable to pose questions as well as answer them. The banking corset, for instance, has become discredited by loopholes and has been rendered virtually obsolete by the ending of exchange controls. But the authorities must feel some pressure to extend it beyond December, if only because it would be highly embarrassing if a sudden burst of re-intermediation were to add several points to the money supply. As for monetary targets, a big credibility gap has opened up. The target for the next six months will have to take account of the way the starting point has been raised by the recent overshooting of sterling M3. But clearly the Government will have to re-emphasise its determination in this area.

Once the statement is out of the way, the immediate objective of the authorities is likely to be to run out the existing medium and long tap stocks, ready for the issue of a big new tap tomorrow. Selling this would not be possible in time to affect the November money figures, but it would allow the market to view these in a more comfortable perspective.

squeezed—mainly because of the edifice built up in Germany and lost market share in the UK, following a 200% National Starch in the main reason for increased enquiries in North America, although there has also been some improvement in Latin America, into which the group has ploughed substantial capital lately.

If sterling remains at its present level all year-end, the six-month average rate on the \$225m-£350m region would be \$200m last year. The share price fell 6p to 458p yesterday, close to the year's low of 430p. The historic yield is 7.3 per cent.

Prospects for next year are dull, with higher inflation leading to dampen consumer demand in the developed world and the oil price rises driving up the cost of raw materials in developing countries. The new government in Nigeria is likely to be cautious in liberalising imports, while it will probably be too soon for significant progress at Lever Brothers.

Chloride

Chloride has had the difficult first half that it was expecting, pre-tax profits having slipped to £11.6m from £12.1m. The adverse impact of sterling's strength and the engineering strike have cost an estimated £2m, but against this there are stock profits of £1m on the sale of the company's shares after allowing for the 13% interest cost of higher working capital.

Most of the weakness seen in Iran's official deposits amount to no more than \$5bn or so; the rest of the \$12bn that the Iranian government is claiming seems to be made up of private money, some belonging to exiles. Presumably the action will push Iran into default on its borrowings from U.S. banks. These total well over the \$5bn, so the U.S. banking system as a whole is covered. But some individual banks may be left unpleasantly exposed, holding worthless assets and no frozen liabilities.

Unilever

The Nigerian import restrictions came through to squeeze Unilever's volume growth back to 1 per cent in the third quarter. This compares with earlier expectations—achieved in the first half of the year—of 3 per cent expansion over 1979 as a whole. With £181.3m pre-tax in the third quarter, profits growth has slumped to 7 per cent from the 9 per cent achieved in the first six months. European sales have stayed nearer the volume target but here margins have been surprising.

Iran

Before taking the drastic step freezing Iran's deposits with U.S. banks, the U.S. administration had, it appears, squared matters with Saudi Arabia. That at least gives some cause for relief, as it may reduce the risk of snowballing demands for the withdrawal of deposits, and possible switching out of dollars, by other oil producers.

Teach basic subjects schools told

By Michael Dixon, Education Correspondent

THE GOVERNMENT is to take the lead in ensuring that all normally able children are taught basic subjects such as English, mathematics, science and a foreign language.

The move, announced in London yesterday, was swiftly attacked by teachers' unions, which regard school curricula as the exclusive preserve of head-teachers and their staff.

But Education Ministers are keen to provide about 28,000 state schools with a "national framework" of basic subjects following a survey ordered by the previous government into the curricular policies of local education authorities in England and Wales.

The survey showed that most local authorities were not only ignorant of how basic subjects were taught in their schools, but also reluctant to assume responsibility for such matters. Where descriptions of teaching practices were available, the survey revealed widely varying, even incoherent, approaches from area to area. Education about industry was particularly sparse, and often provided mainly for academically less able children.

The Government will begin the New Year by issuing further proposals for discussion by all interested parties. The aim is to achieve general agreement on a framework of studies, but legislation has not been ruled out as a last resort.

While Ministers would not seek to determine the detail of what should be taught, the report on the survey says, they "have an inescapable duty" to see that the work of schools matches the nation's economic and other needs.

Details, Page 16
Editorial Comment, Page 26

Jenkins urges softening of contributions stance

BY ELINOR GOODMAN IN STRASBOURG

A STRONG hint that Britain could not expect the European Commission's support if it continued to insist on a cut of £1bn in its net contribution to the Community budget came yesterday from Mr. Roy Jenkins, Commission president.

He also gave the impression that Britain would improve its chances of getting a satisfactory solution at the Dublin meeting of EEC heads of government at the end of this month if Mrs. Thatcher acknowledged that Britain's contribution was not the only important issue confronting the Community.

Mr. Jenkins used the strongest language yet to support Britain's basic argument that the Community budget mechanism is unfair. Unless a better balance was achieved, and agricultural spending curtailed, the Community would not survive the next decade, he told the European Parliament.

"If the cost of the CAP to the Community budget cannot be brought under control, there is a real and immediate danger that the system will collapse under its own weight."

Mr. Jenkins did not overtly criticise Mrs. Thatcher's negotiating technique, and everything he said was couched in the discreet language of European diplomacy. But he did not fail to make plain his view that the Prime Minister has little chance of winning agreement to bring Britain's contribution into "broad balance," or even to reduce it substantially, unless she is prepared to scale down her demands.

Mr. Jenkins said that nobody could doubt the nature and scale of the problems facing the Community over its future financing. He stressed that the Commission was determined "in avoid any measure which would put a member state in a situation where it had no interest in developing new Community policies."

He appeared to be arguing that if Britain's net contribution to the EEC budget were reduced to zero, it would have no incentive in developing policies to curb spending in areas such as agriculture from which it gets no benefit at present.

The Commission will next week complete its own proposals for dealing with the problem. The final document, which will form the basis of the discussions in Dublin, is likely to be a refinement of the options proposed by the Commission in its earlier discussion paper.

Those commissioners sympathetic to the British case still hope that the final proposal will be framed in such a way as to provide the heads of government with the means to cut the British contribution if they so wish.

Paris cool to British demands
Page 2

Stricter rules for immigrants

BY PHILIP RAWSTORNE

TIGHTER restrictions on the issue of work permits for immigrants were announced yesterday by the Government.

Stricter controls on the entry of people wishing to set up a business in this country will also be introduced.

The measures are part of a general revision of the immigration rules designed to reduce abuse and evasion.

Mr. William Whitelaw, Home Secretary, who was given a stormy reception in the Commons when he announced the changes, said that the new rules would reduce the number of immigrants by 3-4,000 a year.

Last year, 72,000 immigrants, 49,000 of them from the New Commonwealth, entered the country for settlement, by Mr. Mervyn Rees, Shadow

Home Secretary, and other Labour MPs attacked the proposals as "racist, sexist, squalid and absurd."

Under the rules persons wishing to set up in business in this country would have to provide evidence of a minimum investment of £10,000. They would also have to satisfy the authorities that the business would create jobs for persons already here.

The Department of Employment announced that, to protect jobs during the current high unemployment, work permits for immigrants would be issued only in "quite exceptional" circumstances.

Permits would not be granted unless the vacancy had been advertised and registered with the local employment office for four weeks. They would be issued only for immigrant workers with professional qualifications or a high degree of skill or experience. The minimum age would be raised from 18 to 23.

Little criticism was directed yesterday at the employment aspects of the new controls. Most controversy centred on Mr. Whitelaw's decision to end the automatic right of entry of husbands or fiancées of women settled in this country. Such entrants would in future normally be restricted to cases where the woman was horn in the UK.

The Asian custom of arranged marriages would be hit by the new rules which deny entry clearance if the parties to the marriage had not met.

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MLR

There was market speculation last night about whether there might also be more direct action to restrain personal sector borrowing involving hire purchase controls or limits on credit cards. These options are known to have been considered in Whitehall.

The Commons statement is likely to be linked closely with moves to sell gilt-edged stock again on a large scale to financial institutions. A big new issue is likely by the end of the week.

The financial markets remained extremely nervous yesterday and all the gains of Tuesday were wiped out.

Prices of long-dated gilt-edged stocks dropped by 1 1/2 and the FT 30-share index dropped by 13.5 points to 410.0. This reflected fears that MLR might rise by more than two points and concern about the miners' pay talks and developments in Iran.

The money markets were also extremely confused and nervous and three-month interbank rates—a key influence on the cost of part of the banks' deposits—rose to 1 1/2 per cent from 1 1/4 per cent on Tuesday.

Discouraging news for the Government about the short-term economic outlook was suggested by official cyclical indicators published yesterday by the Central Statistical Office. These are designed to highlight turning points in the economy.

Both the shorter leading and coincident indicators fell in September for the fourth successive month.

But the longer-leading indicators, which look ahead about a year to turning points in the economy, show signs of having levelled out

TUC harks back to Heath plan

BY CHRISTIAN TYLER, LABOUR EDITOR

THE Trades Union Congress plans to offer the Government a new deal on economic management, which would hark back to the attempt by Mr. Edward Heath, former Prime Minister, to involve the TUC and Confederation of British Industry in a policy consensus.

This is the purpose behind the TUC's call for a major economic debate at the National Economic Development Council next month.

A confidential paper approved by the TUC's economic committee yesterday for submission to the NEDC meeting makes it plain that union leaders are anxious to establish a dialogue with the Government and again play a part in policy-making.

There is no overt suggestion that the TUC would be prepared

to trade some self-restraint on wages in return for a change of policy direction. Nor is the TUC confident that the Government will pick up the implied invitation.

However, as the document makes clear, it is convinced that the present regime of tight monetary control and high interest rates will hurt British manufacturing companies so badly that a change of direction is only a matter of time.

It expects some private support for this view from industrialists, in spite of the CBI's public welcome for what Sir John Methven recently described as the "cold douche" which Government policy was administering to the productive sector of the economy.

Mr. Heath was compelled to

launch his experiment in tripartite consultation after the 1971-2 miners' strike. But the talks collapsed when it became evident that he was not prepared to compromise on policy matters which he regarded as the Government's sole responsibility.

The collapse was followed by a statutory pay freeze—a move which some union leaders said yesterday could be forced on Mr. Thatcher in months.

At the NEDC meeting on December 5, the TUC will call on the Government to reverse its "dogmatic position" and look for "agreed solutions" to a range of economic problems.

It will tell Ministers that the TUC is ready to take part in a constructive dialogue with Ministers if the Government will take the initiative.

Weather

UK TODAY
Rain or sleet, hill snow and sunny intervals. Generally cold. London, S.E. & Cent. S. England, E. Anglia, Midlands
Showers with bright intervals. Max. 7C (45F).
E. Cent. N. and N.E. England
Cloudy with showers and snow on hills. Max. 6C (43F).
Rest of England, Channel Islands, Wales, S.W. Scotland, Ulster
Showers now on hills, sunny intervals. Max. 7C (45F).
Borders, Edinburgh & Dundee, Central Highlands, Aberdeen, Glasgow
Cloudy with rain or sleet, snow on hills. Max. 4C (39F).
Orkney and Shetland
Scattered showers, bright intervals. Max. 5C (41F).
Rain or sleet at first, becoming brighter. Max. 5C (41F).
Ontlook: Sunny intervals with showers; cold with frost.

WORLDWIDE		
	Y'day	Midday
	Midday	Y'day
Algeria	C 11	12
Algiers	C 20	28
Amst'dm	C 4	29
Athens	A 16	24
Bahrain	S 30	34
Batavia	C 13	15
Bombay	C 27	31
Buenos Aires	C 13	15
Calcutta	C 27	31
Canton	C 13	15
Cebu	C 27	31
Colon	C 13	15
Hankow	C 13	15
Hong Kong	C 27	31
London	C 11	12
Lyons	C 11	12
Manila	C 27	31
Medan	C 27	31
Perth	C 13	15
Rangoon	C 27	31
Singapore	C 27	31
Sourabaya	C 27	31
Taipei	C 27	31
Tientsin	C 13	15
Yokohama	C 13	15

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